

BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**BOROUGH OF RIDGEFIELD
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<u>PART I</u>		
	Independent Auditors' Report	1-2
A	Comparative Balance Sheets – Regulatory Basis - Current Fund	3-4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	5
A-2	Statement of Revenues – Regulatory Basis – Current Fund	6-9
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	10-16
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds	17-18
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	19
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis – General Capital Fund	20
D	Comparative Balance Sheets – Regulatory Basis – Swim Pool Utility Fund	21-22
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance – Regulatory Basis - Swim Pool Utility Operating Fund	23
D-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Swim Pool Utility Capital Fund	24
D-3	Statement of Revenues – Regulatory Basis – Swim Pool Utility Operating Fund	25
D-4	Statement of Expenditures – Regulatory Basis – Swim Pool Utility Operating Fund	26
E	Comparative Balance Sheets – Regulatory Basis - Public Assistance Fund	27
F	Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group	28
	Notes to Financial Statements	29-52

Supplementary Schedules

- Current Fund

A-4	Statement of Current Cash - Treasurer	53
A-5	Statement of Change Fund	54
A-6	Statement of Due From State of New Jersey Senior Citizens' and Veterans' Deductions	54
A-7	Statement of Grant Receivables	55
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy	56
A-9	Statement of Tax Title Liens	57
A-10	Statement of Property Acquired for Taxes (At Assessed Valuation)	57
A-11	Statement of Revenue Accounts Receivable	58
A-12	Statement of Appropriation Reserves	59-61
A-13	Statement of Encumbrances Payable	62
A-14	Statement of Accounts Payable	62
A-15	Statement of Tax Overpayments	62
A-16	Statement of Due to State of New Jersey – Fees Payable	63
A-17	Statement of County Taxes Payable (Receivable)	63
A-18	Statement of Local District School Taxes	63
A-19	Statement of Reserve for Tax Appeals	63
A-20	Statement of Miscellaneous Deposits and Reserves	64
A-21	Statement of Appropriated Reserves for Grants	65
A-22	Statement of Unappropriated Reserves for Grants	65

BOROUGH OF RIDGEFIELD
TABLE OF CONTENTS
(Continued)

<u>Exhibits</u>		<u>Page</u>
<u>Trust Fund</u>		
B-1	Statement of Trust Cash and Investments	66
B-2	Statement of Reserve for Animal Control Expenditures – Animal Control Fund	67
B-3	Statement of Due to State of New Jersey- Dog License Fees – Animal Control Fund	67
B-4	Statement of Prepaid Licenses – Animal Control Fund	67
B-5	Statement of Due to Current Fund – Animal Control Fund	68
B-6	Statement of Due to Current Fund – Payroll – Other Trust Fund	68
B-7	Statement of Due From Current Fund – Other Trust – Other Trust Fund	68
B-8	Statement of Escrow Deposits – Other Trust Fund	69
B-9	Statement of Miscellaneous Reserves - Other Trust Fund	69
B-10	Statement of Payroll and Payroll Deductions Payable - Other Trust Fund	70
B-11	Statement of Reserve for Unemployment Insurance Benefits – Unemployment Insurance Trust Fund	70
B-12	Statement of Due to State of New Jersey - Unemployment Insurance Trust Fund	70
B-13	Statement of Due to Current Fund – Unemployment Insurance Trust Fund	71
B-14	Statement of Due to Animal Control Fund – Unemployment Insurance Trust Fund	71
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash - Treasurer	72
C-3	Analysis of General Capital Cash	73
C-4	Statement of Grants Receivable	74
C-5	Statement of Due To Current Fund	74
C-6	Statement of Deferred Charges to Future Taxation	75
C-7	Statement of Deferred Charges to Future Taxation - Funded	75
C-8	Statement of Deferred Charges to Future Taxation - Unfunded	76
C-9	Statement of Improvement Authorizations	77
C-10	Statement of Contracts Payable	78
C-11	Statement of Capital Improvement Fund	78
C-12	Statement of Miscellaneous Reserves	79
C-13	Statement of New Jersey Environmental Infrastructure Trust Loan	80
C-14	Statement of General Serial Bonds	81
C-15	Statement of Bonds and Notes Authorized But Not Issued	82
<u>Swim Pool Utility Fund</u>		
D-5	Statement of Swim Pool Utility Cash – Treasurer	83
D-6	Analysis of Swim Pool Utility Capital Cash	84
D-7	Statement of Due from State of New Jersey – Swim Pool Utility Capital Fund	84
D-8	Statement of Fixed Capital – Swim Pool Utility Capital Fund	85
D-9	Statement of Fixed Capital Authorized and Uncompleted – Swim Pool Utility Capital Fund	85
D-10	Statement of SFY 2009 Appropriation Reserves	86
D-11	Statement of Due to Swim Pool Utility Operating Fund – Swim Pool Utility Capital Fund	86

BOROUGH OF RIDGEFIELD
TABLE OF CONTENTS
(Continued)

<u>Exhibits</u>		<u>Page</u>
	<u>Swim Pool Utility Fund (Continued)</u>	
D-12	Statement of Due to Current Fund – Swim Pool Utility Operating Fund	86
D-13	Statement of Encumbrances Payable – Swim Pool Utility Operating Fund	87
D-14	Statement of Prepaid Revenue – Swim Pool Utility Operating Fund	87
D-15	Statement of Improvement Authorizations – Swim Pool Utility Capital Fund	87
D-16	Statement of Reserve for Amortization – Swim Pool Utility Capital Fund	88
D-17	Statement of Deferred Reserve for Amortization – Swim Pool Utility Capital Fund	88
D-18	Statement of Reserve for Capital Outlay – Swim Pool Utility Capital Fund	88
D-19	Statement of Bonds and Notes Authorized But Not Issued – Swim Pool Utility Capital Fund	88
	<u>Public Assistance Fund</u>	
E-1	Statement of Public Assistance Cash - Treasurer	89
E-2	Statement of Reserve for Public Assistance Expenditures	89
E-3	Statement of Public Assistance Revenues	90
E-4	Statement of Public Assistance Expenditures	90
E-5	Statement of Due To/From Current Fund	91
	<u>PART II</u>	
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	92-93
Sch. A	Schedule of Expenditures of Federal Awards	94
Sch. B	Schedule of Expenditures of State Financial Assistance	95-96
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	97-98
	Schedule of Findings and Responses	99-101
	Summary Schedule of Prior Year Audit Findings	102
	<u>PART III</u>	
	Comparative Schedules of Operations and Changes in Fund Balance - Current Fund	103
	Comparative Schedules of Operations and Changes in Fund Balance – Swim Pool Utility Operating Fund	104
	Comparative Schedule of Calendar Year Tax Rate Information	105
	Comparison of Tax Levies and Collection Currently	105
	Delinquent Taxes and Tax Title Liens	106
	Property Acquired by Tax Title Lien Liquidation	106
	Comparative Schedule of Fund Balances	106
	Officials in Office and Surety Bonds	107
	General Comments	108-111
	Recommendations	112-113

**BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY**

**PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Ridgefield
Ridgefield, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Ridgefield as of June 30, 2010 and 2009 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended June 30, 2010. These financial statements are the responsibility of the Borough of Ridgefield's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ridgefield's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and the accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Ridgefield, as of June 30, 2010 and 2009, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

INDEPENDENT AUDITORS' REPORT (Continued)

However, in our opinion, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Ridgefield, as of June 30, 2010 and 2009 and the results of its operations – and changes in fund balance – regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year then ended June 30, 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 31, 2011 on our consideration of the Borough of Ridgefield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Ridgefield. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Ridgefield. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are also not a required part of the financial statements of the Borough of Ridgefield. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants



Jeffrey C. Bliss

Registered Municipal Accountant

RMA Number CR00429

Fair Lawn, New Jersey
January 31, 2011

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF JUNE 30, 2010 AND 2009

ASSETS	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Cash	A-4	\$ 2,815,835	\$ 3,075,914
Cash - Change Funds	A-5	450	450
Due from State of New Jersey for Senior Citizens' and Veterans' Deductions	A-6	116,147	118,022
Grants Receivable	A-7	<u>138,556</u>	<u>151,863</u>
		<u>3,070,988</u>	<u>3,346,249</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	569,888	651,287
Tax Title Liens	A-9	17,934	17,061
Property Acquired for Taxes (at Assessed Valuation)	A-10	81,180	81,180
Revenue Accounts Receivable	A-11	37,181	51,032
Due from County of Bergen	A-17	56,729	
Due from Animal Control Fund	B-5		11,903
Due from Other Trust Fund (Payroll)	B-6	3	159
Due from General Capital Fund	C-5	6	20,009
Due from Swim Pool Utility Operating Fund	D-12	24,991	18,781
Due from Public Assistance Fund	E-5	<u>-</u>	<u>214</u>
		<u>787,912</u>	<u>851,626</u>
 Total Assets		 <u>\$ 3,858,900</u>	 <u>\$ 4,197,875</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF JUNE 30, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-12	\$ 718,033	\$ 965,507
Encumbrances Payable	A-13	443,406	472,661
Accounts Payable	A-14	25,935	
Tax Overpayments	A-15	51,184	50,311
Due to State of New Jersey-Fees Payable	A-16	3,594	595
Reserve for:			
Tax Appeals	A-19	222,970	321,153
Revaluation of Real Property	A-20		19,953
911 Center Donations	A-20		300
Hudson Transmission Ptrs. - Initial Fee	A-20	95,000	
Appropriated Reserve for Grants	A-21	45,575	59,849
Unappropriated Reserve for Grants	A-22	41,799	57,461
Due to Public Assistance Fund	E-5	96	
Due to Other Trust Fund (Other Trust)	B-7	<u>32,064</u>	<u>24,657</u>
		1,679,656	1,972,447
Reserve for Receivables and Other Assets	A	787,912	851,626
Fund Balance	A-1	<u>1,391,332</u>	<u>1,373,802</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,858,900</u>	<u>\$ 4,197,875</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 850,000	\$ 700,000
Miscellaneous Revenue Anticipated	A-2	9,391,036	9,784,128
Receipts from Delinquent Taxes	A-2	654,023	504,816
Receipts from Current Taxes	A-2	28,317,872	27,690,142
Non-Budget Revenue	A-2	242,145	224,174
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-12	444,224	283,388
Cancelled Accounts Payable	A-13		17,676
Cancelled Miscellaneous Reserves	A-20	20,253	
Cancelled Appropriated Grants Expended in Prior Years	A-1		130,454
Interfunds Returned	A	26,066	194,558
Swim Pool Utility Appropriation Reserves Lapsed-Return Deficit	D-12	5,220	
Statutory Excess in Animal Control Trust Fund	A-1	-	11,900
		<u>39,950,839</u>	<u>39,541,236</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,419,674	6,291,900
Other Expenses	A-3	9,433,860	10,282,658
Deferred Charges and Statutory Expenditures	A-3	1,531,706	608,172
Capital Improvements	A-3	140,000	189,430
Municipal Debt Service	A-3	1,454,275	1,431,187
County Taxes Payable	A-17	4,228,903	4,048,694
Local District School Taxes Payable	A-18	15,807,804	15,584,000
Refund of Prior Year's Revenue	A-4	5,250	60,059
Cancelled Grants Receivable	A-7	733	9,706
Senior Citizens and Veterans Disallowed Prior Year Taxes	A-6	4,375	-
County Open Space Tax Overpayment	A-17	56,729	-
		<u>39,083,309</u>	<u>38,505,806</u>
Excess in Revenue		867,530	1,035,430
Fund Balance, Beginning of Year	A-1	<u>1,373,802</u>	<u>1,038,372</u>
		2,241,332	2,073,802
Decreased by			
Utilization as Anticipated Revenue	A-1,A-2	<u>850,000</u>	<u>700,000</u>
Fund Balance, End of Year	A	<u>\$ 1,391,332</u>	<u>\$ 1,373,802</u>

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Reference	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 850,000	-	\$ 850,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	20,000		29,881	\$ 9,881
Other	A-2	34,000		40,040	6,040
Fees and Permits	A-2	150,000		169,670	19,670
Fines and Costs					
Municipal Court	A-11	425,000		400,823	(24,177)
Interest and Costs on Taxes	A-11	123,000		147,817	24,817
Interest on Investments and Deposits	A-2	9,000		6,116	(2,884)
Hackensack Meadowlands Adjustment to Tax Sharing (NJS 13:17-60 et seq.)	A-11	1,175,000		1,156,486	(18,514)
Energy Receipts Tax	A-11	5,521,191		5,521,063	(128)
Supplemental Energy Receipts Tax	A-11	255,802		255,930	128
Uniform Construction Code Fees	A-11	290,000		280,314	(9,686)
Uniform Fire Safety Act	A-11	30,000		36,259	6,259
Rental of Borough Property - Shaler Lease	A-11	250,000		250,000	-
Rental of Borough Property - Shaler Lease - Debt Service Reimbursement	A-11	361,200		361,200	
Sewer Charges	A-11	134,000		136,283	2,283
Sewer Charges - Additional - Tier II User Charge	A-11	375,000		304,728	(70,272)
Cable TV Franchise Fee	A-11	30,000		43,087	13,087
Hudson River Cable Crossing Agreement	A-11	25,000		12,500	(12,500)
Municipal Court Inspection Fees	A-11	12,000		21,562	9,562
Hackensack Meadowlands Commission -COAH	A-7	19,639		19,639	-
Bergen County Community Development Block Grant	A-7	100,000		100,000	-
CSIP Forestry Grant	A-7,A-22	25,000		25,000	-
NJ DEP National Trails Grant	A-7	20,000		20,000	-
Federal Body Armor	A-7	4,253		4,253	-
State Body Armor	A-7		1,159	1,159	-
Recycling Tonnage Grant	A-22	10,733		10,733	-
Drunk Driving Enforcement Fund	A-22	3,475		3,475	-
Clean Communities Program	A-22	14,376		14,376	-
Municipal Alliance on Alcoholism and Drug Abuse	A-7	11,017		11,017	-
Emergency Mangement Assistance Program	A-22	5,000		5,000	-
Federal Body Armor Replacement-Reserve	A-22	2,625	-	2,625	-
 Total Miscellaneous Revenues	A-1	<u>9,436,311</u>	<u>1,159</u>	<u>9,391,036</u>	<u>(46,434)</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	\$ 525,000	-	\$ 654,023	\$ 129,023
LOCAL TAX FOR MUNICIPAL PURPOSES	A-2	8,949,180	-	8,956,165	6,985
Total General Revenues	A-3	<u>\$ 19,760,491</u>	<u>\$ 1,159</u>	19,851,224	<u>\$ 89,574</u>
Non-Budget Revenue	A-2,A-1			<u>242,145</u>	
				<u>\$ 20,093,369</u>	

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$28,442,872
Less: Transfer to Reserve for Tax Appeals	A-19	<u>(125,000)</u>
Revenue Realized	A-2	28,317,872
Less: Allocated to School and County Taxes	A-17,A-18	<u>20,036,707</u>
Balance for Support of Municipal Budget Appropriations		8,281,165
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>675,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 8,956,165</u>
Licenses- Other		
Borough Clerk	A-11	\$ 175
Board of Health	A-11	<u>39,865</u>
	A-2	<u>\$ 40,040</u>
Fees and Permits - Other		
Borough Clerk	A-11	\$ 839
Department of Public Works	A-11	1,080
Tax Collector	A-11	504
Fire Prevention	A-11	44,967
Recreation	A-11	71,925
Police Department	A-11	8,568
Planning Board	A-11	1,035
Board of Adjustment	A-11	3,100
Board of Health	A-11	<u>37,652</u>
	A-2	<u>\$ 169,670</u>
Interest on Investments and Deposits		
Due from General Capital Fund	C-5	\$ 61
Due from Public Assistance Fund	E-5	626
Due from Other Trust Fund - Other Trust	B-7	345
Due from Other Trust Fund - Payroll	B-6	96
Due from Animal Control Fund	B-5	22
Due from Unemployment Insurance Trust Fund		3
Cash Receipts	A-11	<u>4,963</u>
	A-2	<u>\$ 6,116</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Reference

ANALYSIS OF NON-BUDGET REVENUES

Joint Insurance Fund Surplus Refunds	\$ 14,580
NJ Turnpike Ambulance Donation	3,250
Administrative Fee - Seniors and Veterans	1,735
Unclaimed Escrow & Trust Miscellaneous Fees	69,531
Health Department Flu Program	11,331
Hudson Transmissions Partners Easements	68,000
Prior Year Outstanding Checks	861
Sale of Assets	23,106
State of NJ Housing Inspections	5,693
State of NJ Hotel Fee	23,208
BCUA Sewer Connection	3,760
Miscellaneous	<u>17,090</u>

A-2,A-4 \$ 242,145

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 75,000	\$ 73,100	\$ 73,017	\$ 83	
Other Expenses	35,000	36,000	35,656	344	
Rent Leveling					
Salaries and Wages	5,000	5,000	5,000		
Other Expenses	7,000	7,000	5,993	1,007	
Mayor & Council					
Salaries and Wages	43,000	43,000	40,750	2,250	
Other Expenses	18,000	18,000	9,719	8,281	
Municipal Clerk					
Salaries and Wages	83,000	71,000	70,429	571	
Other Expenses	37,000	37,000	27,532	9,468	
Financial Administration					
Salaries and Wages	144,000	144,900	144,882	18	
Other Expenses					
Annual Audit	38,000	38,000	37,500	500	
Miscellaneous Other Expenses	60,000	55,000	42,679	12,321	
Collection of Taxes					
Salaries and Wages	82,000	78,300	78,287	13	
Other Expenses	25,000	25,000	22,999	2,001	
Assessment of Taxes					
Salaries and Wages	16,000	16,000	15,550	450	
Other Expenses	3,000	3,000	2,017	983	
Professional Services	12,000	12,000	6,030	5,970	
Legal Services and Costs					
Salaries and Wages	47,000	47,000	45,600	1,400	
Other Expenses	192,000	182,000	159,314	22,686	
State Controller/Mayor Investigation	30,000	30,000	25,968	4,032	
Engineering Services					
Other Expenses	140,000	140,000	127,947	12,053	
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board					
Salaries and Wages	5,000	5,000	5,000	-	
Other Expenses	9,000	9,000	7,205	1,795	
Professional Services	15,000	15,000	8,426	6,574	

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
Board of Adjustment					
Salaries and Wages	\$ 5,000	\$ 5,000	\$ 5,000		
Other Expenses	15,000	25,000	18,798	\$ 6,202	
Insurance					
Unemployment Insurance	58,080	58,080	58,080		
Liability Insurance	406,000	391,000	384,356	6,644	
Workers Compensation Insurance	393,000	386,550	386,550	-	
Employees Group Health Insurance	2,056,080	2,012,286	1,888,792	123,494	
PUBLIC SAFETY					
Fire					
Other Expenses					
Clothing Allowance	219,000	259,000	258,019	981	
Fire Hydrant Service	116,000	116,000	111,334	4,666	
Miscellaneous	110,000	110,000	105,122	4,878	
Fire Prevention Bureau					
Salaries and Wages	63,000	65,300	65,217	83	
Other Expenses	23,000	23,500	22,510	990	
Police					
Salaries and Wages	3,425,880	3,450,000	3,449,953	47	
Other Expenses	115,400	115,400	97,834	17,566	
Purchase of Police Vehicle	30,000	30,000	29,546	454	
Police Dispatching/911					
Salaries and Wages	62,000	61,000	59,900	1,100	
911 Service Agreement - Contractual	200,000	200,000	200,000		
First Aid Organization					
Other Expenses					
Clothing Allowance	73,000	73,000	72,999	1	
Miscellaneous	28,000	28,000	23,482	4,518	
Community Service Center					
Salaries and Wages	96,000	96,000	94,346	1,654	
Other Expenses	10,000	10,000	3,633	6,367	
Emergency Management Services					
Salaries and Wages	31,000	20,300	20,271	29	
Other Expenses	6,000	9,000	8,853	147	
Municipal Prosecutor					
Salaries and Wages	13,000	13,000	12,500	500	

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries and Wages	\$ 1,250,000	\$ 1,297,000	\$ 1,295,403	\$ 1,597	
Other Expenses	150,000	140,000	132,037	7,963	
Maintenance of Borough Vehicles					
Other Expenses					
Streets and Roads	50,000	60,000	54,704	5,296	
Fire	49,800	49,800	46,837	2,963	
Police	40,000	40,000	30,527	9,473	
Ambulance	4,000	4,000	3,855	145	
Garbage	25,000	31,000	26,493	4,507	
Building	1,000	1,000		1,000	
Health	500	500		500	
Sanitation					
Garbage and Trash Removal					
Salaries and Wages	248,000	252,032	252,032	-	
Other Expenses	65,000	85,000	78,157	6,843	
Sanitary Landfill Disposal Costs - Contractual	400,000	346,450	309,534	36,916	
Recycling Program					
Salaries and Wages	7,000	7,000	6,688	312	
Public Buildings and Grounds					
Other Expenses					
Maintenance and Repair	155,000	177,000	168,170	8,830	
HEALTH AND WELFARE					
Board of Health					
Salaries and Wages	130,000	137,000	136,281	719	
Other Expenses	70,000	80,500	80,462	38	
Bergen County Animal Shelter	13,000	12,500	11,971	529	
Environmental Commission					
Other Expenses - Miscellaneous	4,000	4,000	3,979	21	
Other Expenses - Arborist	3,000	3,000	3,000		
Administration of Public Assistance					
Salaries and Wages	24,000	23,652	23,652	-	
Other Expenses	1,500	1,600	1,549	51	
Miscellaneous - Other Expenses	11,000	11,000	11,000		

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
PARK AND RECREATION FUNCTIONS					
Recreation and Education					
Parks and Recreation					
Salaries and Wages	\$ 143,000	\$ 158,000	\$ 153,534	\$ 4,466	
Other Expenses	132,000	147,000	137,433	9,567	
Youth Commission					
Salaries and Wages	11,000	11,590	11,590	-	
Other Expenses	1,250	150	100	50	
Celebration of Public Events					
Other Expenses	26,000	26,000	25,928	72	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES					
(N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries and Wages	165,000	151,000	150,786	214	
Other Expenses	25,000	25,000	13,611	11,389	
Property Maintenance					
Salaries and Wages	7,000	6,500	4,781	1,719	
Other Expenses	1,000	1,500	1,053	447	
MUNICIPAL COURT FUNCTIONS					
Municipal Court					
Salaries and Wages	222,000	182,000	180,793	1,207	
Other Expenses	40,000	40,000	30,022	9,978	
Public Defender					
Other Expenses	5,000	5,000	4,800	200	
UNCLASSIFIED					
Street Lighting	195,000	195,000	183,260	11,740	
Electric and Gas	300,000	300,000	266,257	33,743	
Telephone	112,000	112,000	105,838	6,162	
Water	16,000	16,000	15,982	18	
Gasoline	180,000	180,000	147,794	32,206	-
Total Operations Within "CAPS"	12,958,490	12,968,490	12,484,488	484,002	-
Contingent	5,000	5,000	-	5,000	-
Total Operations Including Contingent Within "CAPS"	12,963,490	12,973,490	12,484,488	489,002	-
Detail:					
Salaries and Wages	6,402,880	6,419,674	6,401,242	18,432	-
Other Expenses (Including Contingent)	6,560,610	6,553,816	6,083,246	470,570	-

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES					
Overexpenditure of General Capital Ordinance- SFY 09	\$ 2,600	\$ 2,600	\$ 2,600		
Expenditure Without Ordinance Appropriation - SFY 04	78,461	78,461	78,461		
Anticipated Deficit in Swim Pool Utility	48,900	48,900	14,071		\$ 34,829
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees Retirement System	253,287	253,287	253,287	-	
Social Security System (O.A.S.I.)	350,000	340,000	333,125	6,875	
Police and Firemen's Retirement System of NJ	642,787	642,787	642,787	-	
Pension of Widow Volunteer Firemen	23,000	23,000	21,504	1,496	
Volunteer Fireman's Pension	17,000	17,000	14,250	2,750	
Volunteer Fireman's Over Age Burial Fund	5,000	5,000	-	5,000	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,421,035</u>	<u>1,411,035</u>	<u>1,360,085</u>	<u>16,121</u>	<u>34,829</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>14,384,525</u>	<u>14,384,525</u>	<u>13,844,573</u>	<u>505,123</u>	<u>34,829</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Bergen County Utilities Authority					
Sewerage Processing and Disposal - BCUA	1,975,000	1,975,000	1,905,269		\$ 69,731
Maintenance of Free Public Library					
Contribution to Library	729,778	729,778	729,778		
Public Employees Retirement System	8,633	8,633	8,628	5	
Police and Firemen's Retirement System	17,413	17,413	17,385	28	
Insurance					
Employees Group Health	73,920	73,920		73,920	
Recycling Tax	25,000	25,000	10,425	14,575	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program	14,376	14,376	12,394	1,982	
Emergency Management Assistance	5,000	5,000	5,000		
Police Body Armor-Federal Grant (Reserve)	2,625	2,625	2,625		
Police Body Armor-State		1,159	1,159		
Drunk Driving Enforcement Fund	3,475	3,475	3,475		
Municipal Alliance					
Other Expenses	11,017	11,017	10,870	147	
Matching Funds	2,754	2,754	1,225	1,529	
Recycling Tonnage Grant					
Other Expenses	10,733	10,733		10,733	

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
NJ Meadowlands Comm. Grant - COAH	\$ 19,639	\$ 19,639	\$ 7,763	\$ 11,876	
CSIP Forestry Grant	25,000	25,000	25,000		
NJDEP National Trails Grant	20,000	20,000	16,854	3,146	
Police Body Armor - Federal Grant	4,253	4,253	4,253	-	-
Total Operations - Excluded from "CAPS"	2,948,616	2,949,775	\$ 2,762,103	117,941	\$ 69,731
Detail:					
Other Expenses	2,948,616	2,949,775	2,762,103	117,941	69,731
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Acquisition of Four Wheel Drive Police Vehicle	40,000	40,000	39,336	664	
Bergen County Community Development Block Grant - ADA Improvements to Municipal Building	100,000	100,000	5,695	94,305	-
Total Capital Improvement Excluded from "CAPS"	140,000	140,000	45,031	94,969	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	725,000	725,000	725,000		
Interest on Bonds	662,250	662,250	662,228		22
Infrastructure Trust Loan Program	69,600	69,600	67,047	-	2,553
Total Municipal Debt Service Excluded from "CAPS"	1,456,850	1,456,850	1,454,275	-	2,575
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Deferred Charges Unfunded					
Cancelled Capital Grants	155,500	155,500	155,500	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	155,500	155,500	155,500	-	-
Total General Appropriations Excluded from "CAPS"	4,700,966	4,702,125	4,416,909	212,910	72,306
Total General Appropriations	19,085,491	19,086,650	18,261,482	718,033	107,135
Reserve for Uncollected Taxes	675,000	675,000	675,000	-	-
Total General Appropriations	\$19,760,491	\$19,761,650	\$18,936,482	\$ 718,033	\$ 107,135
<u>Reference</u>	A-2	A-3	A-1	A,A-1	

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-3	\$19,760,491	
Added by N.J.S.A. 40A:4-87	A-2	<u>1,159</u>	
	A-3	<u>\$19,761,650</u>	
Cash Disbursed	A-4		\$ 17,818,076
Encumbrances Payable	A-13		443,406
Reserve for Uncollected Taxes	A-2		<u>675,000</u>
	A-3		<u>\$ 18,936,482</u>

**BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF JUNE 30, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 5,562	\$ 21,584
Due from Unemployment Trust Fund	B-14	<u> -</u>	<u> 19</u>
		<u>5,562</u>	<u>21,603</u>
OTHER TRUST FUND			
Cash	B-1	1,888,287	1,780,947
Due from Current Fund -(Other Trust)	B-7	<u>32,064</u>	<u>24,657</u>
		<u>1,920,351</u>	<u>1,805,604</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	<u>5,599</u>	<u>2,974</u>
Total Assets		<u>\$ 1,931,512</u>	<u>\$ 1,830,181</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF JUNE 30, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Due to Current Fund	B-5		\$ 11,903
Prepaid Licenses	B-4	\$ 2,476	2,567
Due to State of New Jersey	B-3	268	578
Reserve for Animal Control Expenditures	B-2	<u>2,818</u>	<u>6,555</u>
		<u>5,562</u>	<u>21,603</u>
OTHER TRUST FUND			
Due to Current Fund (Payroll)	B-6	3	159
Escrow Deposits	B-8	119,362	149,795
Payroll and Payroll Deduction Payable	B-10	27,687	31,981
Miscellaneous Reserves	B-9	<u>1,773,299</u>	<u>1,623,669</u>
		<u>1,920,351</u>	<u>1,805,604</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to Animal Control Fund	B-14		19
Due to State of New Jersey	B-12	2,842	7,979
Reserve for Unemployment Compensation Insurance (Deficit)	B-11	<u>2,757</u>	<u>(5,024)</u>
		<u>5,599</u>	<u>2,974</u>
Total Liabilities and Reserves		<u>\$ 1,931,512</u>	<u>\$ 1,830,181</u>

**BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF JUNE 30, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash	C-2	\$ 142,272	\$ 287,016
Grants Receivable	C-4	74,117	282,236
Deferred Charges to Future Taxation			
Cancelled Grants	C-6	466,218	621,718
Overexpenditure of Ordinance Appropriation	C-6		2,600
Expenditure Without Ordinance Appropriation	C-6		78,461
Funded	C-7	15,840,668	16,617,448
Unfunded	C-8	<u>1,388,000</u>	<u>95,000</u>
 Total Assets		 <u>\$17,911,275</u>	 <u>\$ 17,984,479</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-14	\$ 15,231,000	\$ 15,956,000
NJ Environmental Infrastructure Trust Loan	C-13	609,668	661,448
Contracts Payable	C-10	781,717	237,329
Due to Current Fund	C-5	6	20,009
Improvement Authorizations			
Funded	C-9	644,934	909,754
Unfunded	C-9	466,570	51,303
Capital Improvement Fund	C-11	29,775	90,775
Reserve for:			
Insurance Recoveries	C-12		18,570
Payment of Debt	C-12	5,648	5,648
Capital Projects	C-12	6,650	6,650
Fund Balance	C-1	<u>135,307</u>	<u>26,993</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$17,911,275</u>	 <u>\$ 17,984,479</u>

There were bonds and notes authorized but not issued on June 30, 2010 and 2009 of \$1,388,000 and \$95,000 respectively. (Exhibit C-15)

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Fund Balance, Beginning of Year	C	\$ 26,993	\$ 39,493
Increased by:			
Cancellation of Funded Improvement Authorization	C-9	<u>142,103</u>	<u>-</u>
		169,096	39,493
Decreased by:			
Appropriation to Finance Improvement Authorization	C-9	26,000	
Cancellation of Grants Receivable	C-6	<u>7,789</u>	<u>12,500</u>
Fund Balance, End of Year	C	<u>\$ 135,307</u>	<u>\$ 26,993</u>

**BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF JUNE 30, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 56,136	\$ 70,303
Due From Swim Pool Utility Capital Fund	D-11	<u>18,630</u>	<u>23,629</u>
Total Operating Fund		<u>74,766</u>	<u>93,932</u>
CAPITAL FUND			
Cash	D-5	1,136	883
Due from State of New Jersey	D-7		5,252
Fixed Capital	D-8	1,820,236	1,808,453
Fixed Capital Authorized and Uncompleted	D-9	<u>1,342</u>	<u>1,342</u>
Total Capital Fund		<u>1,822,714</u>	<u>1,815,930</u>
Total Assets		<u>\$ 1,897,480</u>	<u>\$ 1,909,862</u>

**BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF JUNE 30, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-10	\$ 9,843	\$ 21,302
Encumbrances Payable	D-13	21,579	22,196
Prepaid Revenue	D-14	4,000	7,300
Due to Current Fund	D-12	<u>24,991</u>	<u>18,781</u>
		60,413	69,579
 Fund Balance	 D-1	 <u>14,353</u>	 <u>24,353</u>
 Total Operating Fund		 <u>74,766</u>	 <u>93,932</u>
CAPITAL FUND			
Due to Swim Pool Utility Operating Fund	D-11	18,630	23,629
Improvement Authorizations:			
Funded	D-15	1,342	1,342
Reserve for Amortization	D-16	1,778,136	1,766,353
Deferred Reserve for Amortization	D-17	1,342	1,342
Reserve for Capital Outlay	D-18	21,455	21,455
Fund Balance	D-2	<u>1,809</u>	<u>1,809</u>
 Total Capital Fund		 <u>1,822,714</u>	 <u>1,815,930</u>
 Total Liabilities, Reserves and Fund Balances		 <u>\$ 1,897,480</u>	 <u>\$ 1,909,862</u>

There were bonds and notes authorized but not issued at June 30, 2010 and 2009 of \$42,100 and \$42,100, respectively, (See Exhibit D-19)

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
REVENUE AND OTHER INCOME REALIZED			
Surplus Anticipated	D-3	\$ 10,000	\$ 20,000
Membership Fees	D-3	184,180	169,035
Miscellaneous Fees	D-3	40,788	34,758
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	14,161	32,177
Cancelled Accounts Payable	D-1	<u>-</u>	<u>1,010</u>
 Total Income		 <u>249,129</u>	 <u>256,980</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-4	239,217	245,300
Capital Improvements	D-4	11,783	5,000
Deferred Charges and Statutory Expenditures	D-4	<u>12,200</u>	<u>11,900</u>
 Total Expenditures		 <u>263,200</u>	 <u>262,200</u>
 Excess (Deficit) in Revenue		 (14,071)	 (5,220)
 Adjustments to Income before Fund Balance:			
Realized from General Budget for Anticipated Deficit	D-3	<u>14,071</u>	<u>5,220</u>
 Statutory Excess in Fund Balance		 -	 -
 Fund Balance, Beginning of Year	D	 <u>24,353</u>	 <u>44,353</u>
 Decreased by:		 24,353	 44,353
Utilized as Anticipated Revenue	D-1,D-3	<u>10,000</u>	<u>20,000</u>
 Fund Balance, End of Year	D	 <u>\$ 14,353</u>	 <u>\$ 24,353</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
SWIM POOL UTILITY CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, Beginning of Year	D	\$ 1,809	\$ 1,730
Increased by:			
Cancellation of Improvement Authorization	D-2	<u> -</u>	<u> 79</u>
Balance, End of Year	D	<u>\$ 1,809</u>	<u>\$ 1,809</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	D-1	\$ 10,000	\$ 10,000	
Membership	D-5	169,600	184,180	\$ 14,580
Miscellaneous	D-3	34,700	40,788	6,088
Deficit in General Budget	D-5	<u>48,900</u>	<u>14,071</u>	<u>(34,829)</u>
	D-4	<u>\$ 263,200</u>	<u>\$ 249,039</u>	<u>\$ (14,161)</u>
 <u>Analysis of Realized Revenues</u>				
Guest Fees			\$ 29,958	
Concessions			7,300	
Chair Rental			686	
Interest			14	
Other Miscellaneous			<u>2,830</u>	
	D-3		<u>\$ 40,788</u>	
Cash Receipts	D-5		\$ 33,487	
Prepaid Revenue Applied	D-14		7,300	
Due From Swim Pool Utility Capital Fund	D-11		<u>1</u>	
	D-3		<u>\$ 40,788</u>	

**BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 146,000	\$ 147,800	\$ 147,778	\$ 22
Other Expenses	100,000	91,417	82,228	9,189
CAPITAL IMPROVEMENTS				
Capital Outlay	5,000	11,783	11,783	
STATUTORY EXPENDITURES				
Social Security System	12,200	12,200	11,568	632
	\$ 263,200	\$ 263,200	\$ 253,357	\$ 9,843
<u>Reference</u>	D-3	D-3	D-1	D,D-1
Cash Disbursed	D-5		\$ 231,778	
Encumbrances Payable	D-13		21,579	
	D-4		\$ 253,357	

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF JUNE 30, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash	E-1	\$ 31,990	\$ 46,297
Due from Current Fund	E-5	<u>96</u>	<u>-</u>
		<u>\$ 32,086</u>	<u>\$ 46,297</u>
LIABILITIES			
Due to Current Fund	E-5		\$ 214
Reserve for Public Assistance	E-2	<u>\$ 32,086</u>	<u>46,083</u>
		<u>\$ 32,086</u>	<u>\$ 46,297</u>

**BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS- REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Land	\$ 19,927,700	\$ 19,927,700
Land Improvements	211,025	211,025
Buildings and Improvements	10,940,714	10,920,223
Automobiles and Vehicles	5,243,237	5,221,489
Machinery and Equipment	<u>1,330,772</u>	<u>1,247,746</u>
 Total Assets	 <u>\$37,653,448</u>	 <u>\$ 37,528,183</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$37,653,448</u>	<u>\$ 37,528,183</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Ridgefield have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

A. Reporting Entity

The Borough of Ridgefield (the "Borough") was incorporated in 1892 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Swim Pool Utility Fund - This fund is used to account for the revenues and expenditures for operation of the Borough's swimming and recreational facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the swim pool utility is accounted for in the capital section of the fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the swim pool utility fund. The Borough's infrastructure is not reported in the account group.

The Borough of Ridgefield follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed semi-annually in June and December for that fiscal year's levy. Taxes are payable in four quarterly installments on August 1, November 1, February 1 and May 1. The amount due for August 1 and November 1 installments are determined as one half the estimated fiscal year tax levy for municipal purposes for the current fiscal year plus the full tax levied for the current tax year (calendar year) for county and school taxes, less the amount charged as the February 1 and May 1 installments for county and school purposes of the previous fiscal year. The amounts due for the February 1 and May 1 installments are determined as the full tax levied for municipal purposes for the current fiscal year less the amounts charged for municipal purposes as the August 1 and November 1 installments of the current fiscal year, plus one half of the total tax levied for county and school purposes in the preceding tax year (calendar year). If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on August 15, November 15, February 15, and May 15 to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Utility Charges - Swim Pool utility charges are based upon a flat fee by membership type (i.e., family, single, senior, etc.). Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's swim pool utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

Trust Funds
General Capital Funds
Swim Pool Utility Capital Fund
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than August 10, of the fiscal year. The budget is required to be adopted no later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2010 and 2009 the Borough Council approved several budget transfers.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

Encumbrances - Contractual orders outstanding at June 30, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Appropriation Reserves – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**BOROUGH OF RIDGEFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Ridgefield has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

Fixed Assets purchased after June 30, 1995 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to June 30, 1995 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the swim pool utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**BOROUGH OF RIDGEFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

NOTE 2 DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2010 and 2009, the book value of the Borough's deposits were \$4,947,267 and \$5,286,368 and bank and brokerage firm balances of the Borough's deposits amounted to \$5,295,250 and \$5,392,157, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2010</u>	<u>2009</u>
Insured	\$ 5,295,250	\$ 5,392,157

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of June 30, 2010 and 2009, the Borough had no deposits exposed to custodial credit risk.

Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of June 30, 2010 and 2009, the Borough had no outstanding investments.

Interest earned in the General Capital Fund, Public Assistance Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Swim Pool Utility Capital Fund is assigned to the Swim Pool Utility Operating Fund in accordance with the regulatory basis of accounting.

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at June 30, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
<u>Current Fund</u>		
Property Taxes	\$ 569,888	\$ 651,287
Tax Title Liens	<u>17,934</u>	<u>17,061</u>
	<u>\$ 587,822</u>	<u>\$ 668,348</u>

In 2010 and 2009, the Borough collected \$654,023 and \$504,816 from delinquent taxes, which represented 98% and 98% of the prior year delinquent taxes receivable balance.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and swim pool projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2010</u>	<u>2009</u>
Issued		
General		
Bonds, Notes and Loans	\$ 15,840,668	\$ 16,617,448
Less Funds Temporarily Held to Pay Bonds and Notes	<u>5,648</u>	<u>5,648</u>
Net Debt Issued	15,835,020	16,611,800
Authorized But Not Issued		
General		
Bonds and Notes	1,388,000	95,000
Swim Pool		
Bonds and Notes	<u>42,100</u>	<u>42,100</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 17,265,120</u>	<u>\$ 16,748,900</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .81% and .81% at June 30, 2010 and 2009, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 17,228,668	\$ 5,648	\$ 17,223,020
Swim Pool Utility	42,100		42,100
School Debt	<u>7,398,000</u>	<u>7,398,000</u>	<u>-</u>
Total	<u>\$ 24,668,768</u>	<u>\$ 7,403,648</u>	<u>\$ 17,265,120</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
General Debt	\$ 16,712,448	\$ 5,648	\$ 16,706,800
Swim Pool Utility	42,100		42,100
School Debt	<u>7,758,000</u>	<u>7,758,000</u>	<u>-</u>
Total	<u>\$ 24,512,548</u>	<u>\$ 7,763,648</u>	<u>\$ 16,748,900</u>

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at June 30, was as follows:

	<u>2010</u>	<u>2009</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 74,164,664	\$ 71,559,110
Net Debt	<u>17,265,120</u>	<u>16,748,900</u>
Remaining Borrowing Power	<u>\$ 56,899,544</u>	<u>\$ 54,810,210</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's long-term debt consisted of the following at December 31:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
\$6,200,000, 2002 Bonds, due in annual installments of \$470,000 to \$590,000 through August 2017, interest at 3.50% to 4.25%	\$ 4,235,000	\$ 4,705,000
\$4,950,000, 2006 Bonds, due in annual installments of \$180,000 to \$320,000 through October 2026, interest at 4.00%	4,440,000	4,620,000
\$6,656,000, 2008 Bonds, due in annual installments of \$75,000 to \$706,000 through April 2025, interest at 4.125% to 4.625%	<u>6,556,000</u>	<u>6,631,000</u>
	<u>\$ 15,231,000</u>	<u>\$ 15,956,000</u>

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing relating to the sewer improvements. General intergovernmental loans outstanding at June 30 are as follows:

	<u>2010</u>	<u>2009</u>
\$490,000, 2000 Loan, due in Semi-annual installments of \$25,000 to \$40,000 through August 2020, interest at 5.00% to 5.25%	\$ 335,000	\$ 360,000
\$500,000, 2000 Loan, due in Semi-annual installments of \$657 to \$25,678 through August 2020, interest free	<u>274,668</u>	<u>301,448</u>
	<u>\$ 609,668</u>	<u>\$ 661,448</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of June 30, 2010 is as follows:

<u>Fiscal Year</u>	<u>General</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011	\$ 755,000	\$ 635,384	\$ 50,998	\$ 16,563	\$ 1,457,945
2012	790,000	605,224	50,216	15,313	1,460,753
2013	810,000	572,474	49,434	14,063	1,445,971
2014	1,035,000	538,809	48,652	12,813	1,635,274
2015	1,060,000	495,874	55,920	11,438	1,623,232
2016-2020	5,210,000	1,818,438	288,770	32,869	7,350,077
2021-2025	4,931,000	762,076	65,678	1,050	5,759,804
2026-2027	640,000	25,600	-	-	665,600
Total	\$ 15,231,000	\$ 5,453,879	\$ 609,668	\$ 104,109	\$ 21,398,656

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2010 and 2009 were as follows:

	<u>Balance, June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2010</u>	<u>Due Within One Year</u>
<u>2010</u>					
General Capital Fund					
Bonds Payable	\$ 15,956,000		\$ 725,000	\$ 15,231,000	\$ 755,000
Intergovernmental Loan Payable	661,448	-	51,780	609,668	50,998
General Capital Fund Long-Term Liabilities	\$ 16,617,448	\$ -	\$ 776,780	\$ 15,840,668	\$ 805,998
	<u>Balance, June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2009</u>	<u>Due Within One Year</u>
<u>2009</u>					
General Capital Fund					
Bonds Payable	\$ 9,950,000	\$ 6,656,000	\$ 650,000	\$ 15,956,000	\$ 725,000
Intergovernmental Loan Payable	705,804	-	44,356	661,448	51,780
General Capital Fund Long-Term Liabilities	\$ 10,655,804	\$ 6,656,000	\$ 694,356	\$ 16,617,448	\$ 776,780

**BOROUGH OF RIDGEFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The Borough's short-term capital debt activity for the years 2010 and 2009 was as follows:

2010

There was no short-term debt activity for the year 2010.

	Balance, June 30, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2009</u>
<u>2009</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 6,276,900	\$ -	\$ 6,276,900	\$ -

In addition to the debt shown in the above schedule, municipalities may issue debt to finance special emergency appropriations. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2010 and 2009 as follows:

2010

There was no short-term debt activity for the year 2010.

	Balance, June 30, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2009</u>
<u>2009</u>				
Special Emergency Notes	\$ 46,000	\$ -	\$ 46,000	\$ -

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ending June 30, 2010 and 2009.

<u>2010</u>	Balance June 30, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>2010</u>
Land	\$ 19,927,700			\$ 19,927,700
Land Improvements	211,025			211,025
Buildings and Building Improvements	10,920,223	\$ 20,491		10,940,714
Automobiles and Vehicles	5,221,489	21,748		5,243,237
Machinery and Equipment	<u>1,247,746</u>	<u>83,026</u>	<u>-</u>	<u>1,330,772</u>
	<u>\$ 37,528,183</u>	<u>\$ 125,265</u>	<u>\$ -</u>	<u>\$ 37,653,448</u>
<u>2009</u>	Balance June 30, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>2009</u>
Land	\$ 19,927,700			\$ 19,927,700
Land Improvements	206,575	\$ 4,450		211,025
Buildings and Building Improvements	10,906,936	13,287		10,920,223
Automobiles and Vehicles	5,525,667	46,575	\$ (350,753)	5,221,489
Machinery and Equipment	<u>1,208,773</u>	<u>38,973</u>	<u>-</u>	<u>1,247,746</u>
	<u>\$ 37,775,651</u>	<u>\$ 103,285</u>	<u>\$ (350,753)</u>	<u>\$ 37,528,183</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 5 FIXED ASSETS (Continued)

Swim Pool Utility Fund Fixed Assets

The following is a summary of changes in the swim pool utility fund fixed assets for the years ended June 30, 2010 and 2009.

<u>2010</u>	Balance June 30, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2010</u>
Fixed Capital				
Facility and Facility Improvements	\$ 1,608,690	\$ 11,783		\$ 1,620,473
Equipment	199,763	-	-	199,763
	<u>\$ 1,808,453</u>	<u>\$ 11,783</u>	<u>\$ -</u>	<u>\$ 1,820,236</u>
<u>2009</u>	Balance June 30, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2009</u>
Fixed Capital				
Facility and Facility Improvements	\$ 1,560,032	\$ 48,658		\$ 1,608,690
Equipment	199,763	-	-	199,763
	<u>\$ 1,759,795</u>	<u>\$ 48,658</u>	<u>\$ -</u>	<u>\$ 1,808,453</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

As of June 30, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Current Fund	\$ 25,000	\$ 32,160	\$ 51,066	\$ 24,657
Trust Funds:				
Animal Control Fund			19	11,903
Other Trust Fund	32,064	3	24,657	159
Unemployment Fund				19
General Capital Fund		6		20,009
Swim Pool Utility Fund				
Operating	18,630	24,991	23,629	18,781
Capital		18,630		23,629
Public Assistance Fund	96	-	-	214
	<u>\$ 75,790</u>	<u>\$ 75,790</u>	<u>\$ 99,371</u>	<u>\$ 99,371</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 6 DUE TO/FROM OTHER FUNDS (Continued)

The above balances are the result of amounts deposited in one fund due to another fund and interest earnings received in one fund which is due to another fund.

The Borough expects all interfund balances to be liquidated within one year, except for the interfund balance between Swim Pool Utility Operating and Swim Pool Utility Capital Funds.

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Swim Pool Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of June 30 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at June 30, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance June 30, <u>2010</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance June 30, <u>2009</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 1,136,725	\$ 875,000	\$ 1,103,917	\$ 850,000
Non-Cash Surplus	<u>254,703</u>	<u>-</u>	<u>269,885</u>	<u>-</u>
	<u>\$ 1,391,428</u>	<u>\$ 875,000</u>	<u>\$ 1,373,802</u>	<u>\$ 850,000</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 14,353		\$ 24,353	\$ 10,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,353</u>	<u>\$ -</u>	<u>\$ 24,353</u>	<u>\$ 10,000</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, 2010 and 2009 the following deferred charges are reported on the balance sheets of the following funds:

	Balance, <u>June 30,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2010</u>			
There were none at December 31, 2010.			
<u>2009</u>			
Capital Fund			
Overexpenditure of Ordinance Appropriation	\$ 2,600	\$ 2,600	
Expenditure Without Ordinance Appropriation	78,461	78,461	

NOTE 9 COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon retirement or death.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$684,451 and \$643,394 at June 30, 2010 and 2009, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of June 30, 2010 and 2009, the Borough has reserved \$143,341 and \$120,321, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen’s Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation (Continued)

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**BOROUGH OF RIDGEFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of employees' annual compensation. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employee contribution.

During the years ended June 30, 2010, 2009 and 2008, the Borough was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

Year Ended <u>June 30,</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2010	\$ 642,787	\$ 253,287	\$ 2,012
2009	621,050	244,722	295
2008	593,165	181,482	150

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough. The Plans are cost-sharing multiple employer-defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teachers Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State Class. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as a separate fund (Health Benefits Program Fund –Local) in the State's CAFR. The post-retirement benefit programs had a total of 484 state and local participating employers and contributing entities for Fiscal Year 2009.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above Funds. The financial reports may be assessed via, the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the State had a \$55.9 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.8 billion for state active and retired members and \$36.1 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$87.0 million for 7,255 eligible retired members for fiscal year 2009.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$24.4 million in fiscal year 2009 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund for post-retirement benefits and reimbursements to eligible retired employees for Medicare Part B insurance coverages for the years ended June 30, 2010, 2009 and 2008 were \$612,790, \$643,050 and \$613,980, respectively, which equaled the required contributions for each year.

NOTE 12 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Ridgefield is a member of the Public Alliance Insurance Coverage Fund (PAICF). The joint insurance fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The PAICF coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009**

NOTE 12 RISK MANAGEMENT (Continued)

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

Year Ended <u>June 30,</u>	Borough <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending Balance <u>(Deficit)</u>
2010	\$ 58,080	\$ 11,448	\$ 61,747	\$ 2,757
2009	45,000	11,292	76,003	(5,024)
2008	44,700	11,076	41,089	14,687

NOTE 13 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at June 30, 2010 and 2009. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of June 30, 2010 and 2009, the Borough reserved \$222,970 and \$321,153, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of June 30, 2010 and 2009, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2010 and 2009, the Borough has not estimated its arbitrage earnings due to the IRS, if any.

NOTE 15 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of June 30, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2010</u>		
Acquisition of Pumper Ladder	\$ 767,506	2010/11
<u>2009</u>		
Improvements to Salt Shed	\$ 102,400	2009/10
Sewer & Roadway Improvements	93,228	2009/10
Acquisition of Dump Truck	44,320	2009/10

CURRENT FUND

BOROUGH OF RIDGEFIELD
STATEMENT OF CURRENT CASH - TREASURER

Balance, June 30, 2009		\$ 3,075,914
Increased by Receipts:		
Taxes Receivable	\$ 29,007,645	
Non-Budget Revenue	242,145	
Grant Receivable	167,562	
Revenue Accounts Receivable	9,172,606	
Due from State of New Jersey	86,750	
Tax Overpayments	24,149	
Tax Title Liens	-	
Unappropriated Reserves for Grants	41,797	
Miscellaneous Deposits - Hudson Transmission Ptrs.	95,000	
Due to State of New Jersey - Fees Payable	15,166	
Receipts from General Capital Fund	220,064	
Receipts from Other Trust Fund (Other Trust)	545	
Receipts from Other Trust Fund (Payroll)	252	
Receipts from Swim Pool Utility Operating Fund	105,780	
Receipts from Public Assistance Trust Fund	936	
Receipts from Animal Control Fund	11,925	
Receipts from Unemployment Insurance Trust Fund	7,003	
	<u>39,199,325</u>	
		42,275,239
Decreased by Disbursements:		
SFY 2010 Budget Appropriations	17,818,076	
SFY 2009 Appropriation Reserves	473,218	
Encumbrances Payable	454,885	
Accounts Payable	-	
County Taxes Payable	4,285,632	
Local School District Taxes Payable	15,807,804	
Tax Overpayments	23,276	
Appropriated Reserves for Grants	16,625	
Due to State of New Jersey - Fees Payable	12,167	
Special Emergency Note	-	
Tax Appeal Judgements Payable	-	
Tax Appeal Refunds	223,183	
Refund Prior Year Revenue	5,250	
Payments to Other Trust Fund (Other Trust)	25,518	
Payments to Unemployment Trust Fund	7,000	
Payments to Swim Pool Utility Operating Fund	106,770	
Payments to General Capital Fund	200,000	
	<u>39,459,404</u>	
Balance, June 30, 2010		<u>\$ 2,815,835</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF CHANGE FUND**

	<u>Change Fund</u>
Balance, June 30, 2009	\$ 450
Balance, June 30, 2010	<u>\$ 450</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, June 30, 2009		\$ 118,022
Increased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 26,250	
Veterans' Deductions Per Tax Billings	61,250	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	<u>2,000</u>	
		<u>89,500</u>
		207,522
Decreased by:		
Cash Received from State	86,750	
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector	250	
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector SFY2009	<u>4,375</u>	
		<u>91,375</u>
Balance, June 30, 2010		<u>\$ 116,147</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF GRANT RECEIVABLES**

	Balance June 30, <u>2009</u>	Accrued in <u>2010</u>	<u>Received</u>	<u>Cancelled</u>	Balance June 30, <u>2010</u>
Municipal Alliance on Alcoholism and Drug Abuse	\$ 4,830	\$ 11,017	\$ 11,017	\$ 4,830	
Secure Our Schools Grant	733			733	
Hackensack Meadowlands Commission - Hybrid Vehicle	20,000		20,000		
Hackensack Meadowlands Commission - Sign Board	26,300		26,300		
Hackensack Meadowlands Commission	100,000		100,000		
CDBJ - ADA Borough Hall		\$100,000			\$ 100,000
NJDEP - National Trail Grant		20,000			20,000
CSIP Forestry Grant		3,750			3,750
COAH Grant		19,639	4,833		14,806
Body Armor Federal		4,253	4,253		
Body Armor State	-	1,159	1,159	-	-
	<u>\$151,863</u>	<u>\$159,818</u>	<u>\$ 167,562</u>	<u>\$ 5,563</u>	<u>\$ 138,556</u>
				Fund Balance	\$ 733
				Appropriated Reserve for Grants	<u>4,830</u>
					<u>\$ 5,563</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Fiscal Year	Balance, June 30, 2009	2009/2010 Fiscal Year Levy	Added in 2009/2010	Senior Citizens' and Veterans' Deductions		Collected In 2008/2009	2009/2010	Senior Citizens' and Veterans' Deductions Allowed	Tax Overpayments Applied	Cancelled Title Liens	Transferred to Tax Title Liens	Balance, June 30, 2010
				Disallowed								
SFY 2008	\$ 1,431					\$ 1,431						
SFY 2009	649,856			\$ 4,375		652,592				\$ 1,639		
	651,287			4,375		654,023				1,639		
SFY 2010		\$ 29,083,544	\$ -	250		28,353,622		\$ 89,500		69,911	\$ 873	\$ 569,888
	\$ 651,287	\$ 29,083,544	\$ -	\$ 4,625		\$ 29,007,645		\$ 89,500		\$ 71,550	\$ 873	\$ 569,888

Analysis of 2009/2010 Fiscal Year Tax Levy

TAX YIELD	
General Purpose Tax	\$ 29,022,615
Added and Omitted Taxes (NJSA 54:4-63.12 et seq)	<u>60,929</u>
	<u>\$29,083,544</u>
TAX LEVY	
Local District School Tax	\$ 15,807,804
County Tax	\$ 4,052,069
County Open Tax	168,089
Due County for Added and Omitted Taxes (54:4-63.1)	<u>8,745</u>
	4,228,903
Local Tax for Municipal Purposes	8,949,180
Additional Tax Levied	<u>97,657</u>
	<u>\$29,083,544</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF TAX TITLE LIENS**

Balance, June 30, 2009	\$ 17,061
Increased by:	
Transfer from Taxes Receivable	<u>873</u>
Balance, June 30, 2010	<u><u>17,934</u></u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, June 30, 2009	<u>\$ 81,180</u>
Balance, June 30, 2010	<u><u>\$ 81,180</u></u>

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, June 30, <u>2009</u>	Accrued in <u>2009/2010</u>	<u>Collected</u>	Balance, June 30, <u>2010</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 29,881	\$ 29,881	
Licenses		175	175	
Fees and Permits		839	839	
Construction Code Official				
Fees and Permits		280,314	280,314	
Board of Health				
Licenses		39,865	39,865	
Fees and Permits		37,652	37,652	
Department of Public Works				
Fees and Permits		1,080	1,080	
Fire Prevention				
Fees and Permits		44,967	44,967	
Police Department				
Fees and Permits		8,568	8,568	
Tax Collector				
Fees and Permits		504	504	
Recreation				
Fees and Permits		71,925	71,925	
Planning Board				
Fees and Permits		1,035	1,035	
Zoning Board of Adjustment				
Fees and Permits		3,100	3,100	
Municipal Court				
Fines and Costs	\$ 39,047	398,957	400,823	\$ 37,181
Interest and Costs on Taxes		147,817	147,817	
Interest on Deposits and				
Investments		4,963	4,963	
Hackensack Meadowlands Adjustment				
to Tax Sharing		1,156,486	1,156,486	
Energy Receipts Tax		5,521,063	5,521,063	
Supplemental Energy Receipts Tax		255,930	255,930	
Uniform Fire Safety	11,985	24,274	36,259	-
Rental of Borough Property - Shaler Lease		250,000	250,000	
Rental of Borough Property - Shaler Lease - Debt Service Reimbursement		361,200	361,200	
Sewer Charges		136,283	136,283	
Sewer Charges - Additional- Tier II User Charge		304,728	304,728	
Hudson River Cable Crossing Agreement		12,500	12,500	
Municipal Court Inspection Fees		21,562	21,562	
Cable TV Franchise Fees	-	43,087	43,087	-
	<u>\$ 51,032</u>	<u>\$ 9,158,755</u>	<u>\$ 9,172,606</u>	<u>\$ 37,181</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATION RESERVES

	Balance June 30, <u>2009</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Trust <u>Reserves</u>	Balance <u>Lapsed</u>
General Administration					
Salaries and Wages	\$ 2,488	\$ 2,488	\$ 2,488		
Other Expenses	2,090	2,090	1,615		\$ 475
Rent Leveling					
Other Expenses	2,855	2,855	337		2,518
Mayor & Council					
Salaries and Wages	382	382			382
Other Expenses	2,253	2,253	2,250		3
Municipal Clerk					
Salaries and Wages	1,524	1,524	1,524		
Other Expenses	3,970	3,970	3,246		724
Financial Administration					
Salaries and Wages	3,093	3,093	3,093		
Other Expenses					
Annual Audit	1,600	1,600	1,278		322
Miscellaneous Other Expenses	6,517	6,517	6,517		
Collection of Taxes					
Salaries and Wages	1,629	1,629	1,629		
Other Expenses	692	692			692
Assessment of Taxes					
Salaries and Wages	622	622	576		46
Other Expenses	320	320			320
Professional Services	8,751	8,751	5,400		3,351
Legal Services and Costs					
Salaries and Wages	1,420	1,420	1,417		3
Other Expenses	14,481	24,481	21,950		2,531
PBA Settlement	59	59			59
Engineering Services					
Other Expenses	18	18			18
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board					
Salaries and Wages	93	93	93		
Other Expenses	100	100	29		71
Professional Services	972	972	872		100
Board of Adjustment					
Other Expenses	7,176	7,176	5,014		2,162
Insurance					
Liability Insurance	25,433	25,433	9,660		15,773
Workers Compensation Insurance	7,058	7,058			7,058
Employees Group Health Insurance	208,511	208,511			208,511
Fire					
Other Expenses					
Clothing Allowance	42,660	42,660	40,217		2,443
Fire Hydrant Service	1,325	1,325			1,325
Miscellaneous	9,363	9,363	9,123		240
Other Expenses		7,434			7,434
Fire Prevention Bureau					
Salaries and Wages	820	820	820		
Other Expenses	1,724	1,724	11		1,713

**BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATION RESERVES**

	Balance June 30, <u>2009</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Trust <u>Reserves</u>	Balance <u>Lapsed</u>
Police					
Salaries and Wages	\$ 129,895	\$ 129,895	\$ 128,530	\$ 1,365	
Other Expenses	24,669	24,669	3,948		\$ 20,721
Purchase of Police Vehicle	3,881	3,881			3,881
Police Dispatching/911					
Salaries and Wages	1,211	1,211	1,211		
First Aid Organization					
Other Expenses					
Clothing Allowance	15,348	28,848	28,825		23
Miscellaneous	20,507	7,007	2,921		4,086
Community Service Center					
Salaries and Wages	861	861	861		
Other Expenses	10,019	10,019			10,019
Emergency Management Services					
Salaries and Wages	1,510	1,510	175	1,335	
Other Expenses	2,834	2,834	201		2,633
Municipal Prosecutor					
Salaries and Wages	500	500		500	
Road Repairs and Maintenance					
Salaries and Wages	44,064	44,064	44,064		
Other Expenses	4,745	9,705		9,705	
Maintenance of Borough Vehicles					
Other Expenses					
Streets and Roads	375	375	169		206
Fire	6,259	6,259	3,999		2,260
Police	11,373	11,373	11,001		372
Ambulance	10,869	10,869			10,869
Garbage	550	550	501		49
Building	1,000	1,000			1,000
Health	500	500	390		110
Sanitation					
Garbage and Trash Removal					
Salaries and Wages	10,197	10,197	10,197		
Other Expenses	12,330	12,330	11,051		1,279
Sanitary Landfill Disposal Costs - Contractual	39,850	39,850	855		38,995
Recycling Program					
Salaries and Wages	190	190	190		
Public Buildings and Grounds					
Other Expenses					
Maintenance and Repair	15,912	15,912	8,348		7,564
Board of Health					
Salaries and Wages	2,678	2,678	2,678		
Other Expenses	4,810	4,810	560		4,250
Bergen County Animal Shelter	923	923			923
Environmental Commission					
Other Expenses - Matching Funds for Grants	210	210			210
Administration of Public Assistance					
Salaries and Wages	1,876	1,876	934	942	
Other Expenses	846	846			846

BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATION RESERVES

	Balance June 30, <u>2009</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Trust <u>Reserves</u>	Balance <u>Lapsed</u>
Recreation and Education					
Parks and Recreation					
Salaries and Wages	\$ 2,018	\$ 2,018	\$ 2,018		
Other Expenses	778	1,613	1,000		\$ 613
Youth Commission					
Salaries and Wages	505	505	100	\$ 405	
Other Expenses	1,250	1,250			1,250
Celebration of Public Events					
Other Expenses	2,455	2,455			2,455
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries and Wages	12,777	12,777	6,447	6,330	
Other Expenses	12,766	12,766	159		12,607
Property Maintenance					
Salaries and Wages	515	515	180		335
Other Expenses	1,000	1,000			1,000
Municipal Court					
Salaries and Wages	17,572	17,572	5,429	12,143	
Other Expenses	1,564	1,564			1,564
Street Lighting	1,128	2,758			2,758
Electric & Gas		5,500	5,361		139
Telephone	19,551	19,551	1,278		18,273
Water	6,369	6,369	1,383		4,986
Gasoline	15,394	2,811			2,811
Contingent	5,000	5,000			5,000
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)	3,422	3,422			3,422
Pension of Widow Volunteer Firemen	7,861	7,861			7,861
Volunteer Fireman's Pension	5,000	5,000			5,000
Volunteer Fireman's Over Age Burial Fund	5,580	5,580			5,580
Clean Communities Program	4	4	4		
Municipal Alliance					
Other Expenses	3,028	3,028	3,028		
Matching Funds	2,875	2,875	2,875		
Recycling Tonnage Grant					
Other Expenses	3,374	3,374	3,374		
NJ Meadowlands Comm. Grant - Sign Board	26,300	26,300	26,300		
NJ Meadowlands Comm. Grant	66,630	66,630	66,630	-	-
Total General Appropriations	<u>\$ 965,507</u>	<u>\$ 983,283</u>	<u>\$ 506,334</u>	<u>\$ 32,725</u>	<u>\$ 444,224</u>

Balance, June 30, 2009	\$ 965,507
Cancelled Payables Restored to Appropriation Reserves	<u>17,776</u>
	<u>\$ 983,283</u>

Cash Disbursements	\$ 473,218
Transferred to Appropriated Reserves for Grants	7,181
Transferred to Accounts Payable	25,935
Due to Other Trust Fund - Accumulated Leave	\$ 23,020
Due to Other Trust Fund - Snow Removal Reserve	<u>9,705</u>
	<u>\$ 506,334</u>
	<u>\$ 32,725</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, June 30, 2009		\$	472,661
Increased by:			
Charges to Budget Appropriations			<u>443,406</u>
			916,067
Decreased by:			
Payments	\$	454,885	
Cancellations Restored to Appropriation Reserves		<u>17,776</u>	
			<u>472,661</u>
Balance, June 30, 2010		\$	<u>443,406</u>

STATEMENT OF ACCOUNTS PAYABLE

Increased by:			
Transfer from Appropriation Reserves		\$	<u>25,935</u>
Balance, June 30, 2010		\$	<u>25,935</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, June 30, 2009		\$	50,311
Increased by:			
Cash Receipts			<u>24,149</u>
			74,460
Decreased by:			
Cash Disbursements			<u>23,276</u>
Balance, June 30, 2010		\$	<u>51,184</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO STATE OF NEW JERSEY - FEES PAYABLE

	Balance, June 30, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
Marriage License Fees	\$ 360	\$ 1,450	\$ 1,375	\$ 435
Burial Fees	235	40		275
State Training Fees	<u>-</u>	<u>13,676</u>	<u>10,792</u>	<u>2,884</u>
	<u>\$ 595</u>	<u>\$ 15,166</u>	<u>\$ 12,167</u>	<u>\$ 3,594</u>

EXHIBIT A-17

STATEMENT OF COUNTY TAXES PAYABLE (RECEIVABLE)

Increased by:			
2010 Fiscal Year Levy			
General County Tax		\$ 4,052,069	
County Open Space Preservation		168,089	
2010 Added and Omitted Taxes		<u>8,745</u>	
			\$ 4,228,903
Decreased by:			
Payments			<u>4,285,632</u>
Balance, June 30, 2010 - (Due from County)			<u>\$ (56,729)</u>

EXHIBIT A-18

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES

Increased by:			
2010 Fiscal Year Levy			\$ 15,807,804
Decreased by:			
Payments			<u>\$ 15,807,804</u>

EXHIBIT A-19

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, June 30, 2009		\$ 321,153
Increased by:		
Transfer from SFY 2009 Tax Collections		
Pending State Appeals		<u>125,000</u>
		446,153
Decreased by:		
Payments made to Appellants		<u>223,183</u>
Balance, June 30, 2010		<u>\$ 222,970</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF MISCELLANEOUS DEPOSITS AND RESERVES

	Balance, June 30, <u>2009</u>	Cash <u>Receipts</u>	<u>Cancellation</u>	Anticipated in SFY 10 <u>Budget</u>	Balance, June 30, <u>2010</u>
Revaluation of Real Property	\$ 19,953		\$ 19,953		
911 Center Donations	300		300		
Hudson Transmission Ptrs.-Initial Fee	<u>-</u>	<u>\$ 95,000</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 95,000</u>
	<u>\$ 20,253</u>	<u>\$ 95,000</u>	<u>\$ 20,253</u>	<u>\$ -</u>	<u>\$ 95,000</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATED RESERVES FOR GRANTS**

	Balance, June 30, <u>2009</u>	Transfer from Appropriation Reserves	Paid or Charged	Grant Receivables Cancelled	Balance, June 30, <u>2010</u>
Drunk Driving Enforcement Fund	\$ 3,204		\$ 3,204		
Emergency Management Assistance	20,205				\$ 20,205
Body Armor Replacement Fund	2,700		2,700		
Alcohol Education and Rehabilitation Fund	6,150				6,150
Municipal Alliance on Alcoholism and Drug Abuse					
County Share	9,314	\$ 928		\$ 4,830	5,412
Local Share	4,219	2,875			7,094
Municipal Recycling Assistance Program	214		214		
Recycling Tonnage Grant	9,363	3,374	7,507		5,230
Clean Communities Grants	34	4			38
Stormwater Management	4,446	-	3,000	-	1,446
	<u>\$ 59,849</u>	<u>\$ 7,181</u>	<u>\$ 16,625</u>	<u>\$ 4,830</u>	<u>\$ 45,575</u>

STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance, June 30, <u>2009</u>	Cash Receipts	Anticipated in SFY 10 Budget	Balance, June 30, <u>2010</u>
Drunk Driving Enforcement Fund	\$ 3,476	\$ 2,725	\$ 3,475	\$ 2,726
Recycling Tonnage Grant	10,733	17,964	10,733	17,964
Clean Communities Grant	14,376	14,970	14,376	14,970
Emergency Management Assistance Program	5,000	5,000	5,000	5,000
Body Armor Replacement Fund-Federal	2,626	1,138	2,625	1,139
CSIP Grant - Forestry	21,250	-	21,250	-
	<u>\$ 57,461</u>	<u>\$ 41,797</u>	<u>\$ 57,459</u>	<u>\$ 41,799</u>

THIS PAGE INTENTIONALLY LEFT BLANK

TRUST FUND

**BOROUGH OF RIDGEFIELD
STATEMENT OF TRUST CASH AND INVESTMENTS**

	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>	<u>Unemployment Trust Fund</u>
Balance, June 30, 2009	\$ 21,584	\$ 1,780,947	\$ 2,974
Increased by Receipts:			
Borough's Share of Dog Licenses	\$ 2,991		
Prepaid Dog Licenses	1,520		
Budget Appropriation			
Employee Contributions	797	\$ 58,080	
State Dog License Fees	19	11,448	
Receipts from Unemployment Fund			7,000
Receipts from Current Fund		\$ 25,518	
Escrow Deposits		78,274	
Interest on Deposits	22	441	3
Miscellaneous Reserves		714,264	
Payroll and Payroll Deductions Payable	-	10,699,777	-
	<u>5,349</u>	<u>11,518,274</u>	<u>76,531</u>
Decreased by Disbursements:			
Payment to State of New Jersey -	26,933	13,299,221	79,505
State Dog License Fees	1,107		
Unemployment Claims			66,884
Expenditures Under RS 4:19-15.11	8,339		
Payments to Current Fund	11,925	545	7,003
Payments to Unemployment Fund			
Payments to Current Fund - Payroll		252	
Payments to Animal Control Fund			19
Escrow Deposits		108,707	
Miscellaneous Reserves		597,359	
Payroll and Payroll Deductions Payable	-	10,704,071	-
	<u>21,371</u>	<u>11,410,934</u>	<u>73,906</u>
Balance, June 30, 2010	\$ 5,562	\$ 1,888,287	\$ 5,599

**BOROUGH OF RIDGEFIELD
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

Balance, June 30, 2009		\$ 6,555
Increased by:		
Dog License Fees Collected	\$ 2,991	
Prepaid Licenses Applied	<u>1,611</u>	
		<u>4,602</u>
		11,157
Decreased by:		
Cash Disbursements for Expenditures Under R.S. 4:19-15.11		<u>8,339</u>
Balance, June 30, 2010		<u>\$ 2,818</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY-DOG LICENSE FEES
ANIMAL CONTROL FUND**

Balance, June 30, 2009		\$ 578
Increased by:		
State Fees Collected		<u>797</u>
		1,375
Decreased by:		
Payments to State		<u>1,107</u>
Balance, June 30, 2010		<u>\$ 268</u>

**STATEMENT OF PREPAID LICENSES
ANIMAL CONTROL FUND**

Balance, June 30, 2009		\$ 2,567
Increased by:		
Prepaid Fees Collected		<u>1,520</u>
		4,087
Decreased by:		
Prepaid Licenses Applied		<u>1,611</u>
Balance, June 30, 2010		<u>\$ 2,476</u>

Analysis of Balance

SFY 2011		\$ 1,716
SFY 2012		<u>760</u>
		<u>\$ 2,476</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

Balance, June 30, 2009		\$ 11,903
Increased by:		
Interest on Deposits		<u>22</u>
		11,925
Decreased by:		
Cash Disbursements		<u>\$ 11,925</u>

**STATEMENT OF DUE TO CURRENT FUND - PAYROLL
OTHER TRUST FUND**

Balance, June 30, 2009		\$ 159
Increased by:		
Interest on Deposits		<u>96</u>
		255
Decreased by:		
Cash Disbursed to Current Fund		<u>252</u>
Balance, June 30, 2010		<u>\$ 3</u>

**STATEMENT OF DUE FROM CURRENT FUND-OTHER TRUST
OTHER TRUST FUND**

Balance, June 30, 2009		\$ 24,657
Increased by:		
Payments to Current Fund	\$ 545	
Transfers From Appropriation Reserves:		
Accumulated Sick Leave Reserve Due From Current	\$ 23,020	
Accumulated Snow Removal Reserve Due From Current	<u>9,705</u>	
		<u>32,725</u>
		<u>33,270</u>
		57,927
Decreased by:		
Interest on Deposits and Investments	345	
Received from Current Fund	<u>25,518</u>	
		<u>25,863</u>
Balance, June 30, 2010		<u>\$ 32,064</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, June 30, 2009	\$ 149,795
Increased by:	
Cash Receipts	78,274
	228,069
Decreased by:	
Cash Disbursements	108,707
Balance, June 30, 2010	\$ 119,362

**STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND**

	Balance, June 30, <u>2009</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2010</u>
POAA Fees	\$ 5,360	\$ 1,348		\$ 6,708
Fire Prevention Penalty Fees	8,517	9,784	\$ 9,288	9,013
Landlord Security and Maintenance Deposits	59,631	1,874	1,438	60,067
Tax Sale Premiums	73,200	83,300	8,800	147,700
Recycling Program	129,431	57,283	20,764	165,950
Community Gardens	1,444	540	126	1,858
Shade Tree Commission	11,703	4,500	11,227	4,976
Recreation Fees	44,972	31,624	33,654	42,942
Public Defender Fees	11,258	2,998	800	13,456
Library Donation	2,250			2,250
COAH	902,028	2,258		904,286
Affordable Housing	127,257	26,611	861	153,007
Board of Health - Food Handlers Course	5,110	13,566	13,566	5,110
Police Outside Duty Pay	48,209	472,161	479,259	41,111
Accumulated Unused Sick Leave	120,321	23,020		143,341
Rent Leveling Escrow	12,277		12,277	-
Snow Removal	50,000	9,705		59,705
Youth Commission		3,493	1,754	1,739
Miscellaneous Deposits	10,701	2,924	3,545	10,080
	\$1,623,669	\$ 746,989	\$ 597,359	\$ 1,773,299
Due from Current Fund		\$ 32,725		
Cash Receipts		714,264		
		\$ 746,989		

**BOROUGH OF RIDGEFIELD
STATEMENT OF PAYROLL AND PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, June 30, 2009		\$ 31,981
Increased by:		
Cash Receipts:		<u>10,699,777</u>
		10,731,758
Decreased by:		
Cash Disbursements:		<u>10,704,071</u>
Balance, June 30, 2010		<u>\$ 27,687</u>

EXHIBIT B-11

**STATE OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, June 30, 2009 (Deficit)		\$ (5,024)
Increased by:		
Employee Contributions	\$ 11,448	
Budget Appropriation	<u>58,080</u>	
		<u>69,528</u>
		64,504
Decreased by:		
Claims Due to State of New Jersey		<u>61,747</u>
Balance, June 30, 2010		<u>\$ 2,757</u>

EXHIBIT B-12

**STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, June 30, 2009		\$ 7,979
Increased by:		
Unemployment Claims		<u>61,747</u>
		69,726
Decreased by:		
Payments to State		<u>66,884</u>
Balance, June 30, 2010		<u>\$ 2,842</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO CURRENT FUND
UNEMPLOYMENT INSURANCE TRUST FUND**

Increased by:	
Cash Received from Current Fund	\$ 7,000
Interest on Deposits	<u>3</u>
	7,003
Decreased by:	
Cash Disbursed to Current Fund	<u>\$ 7,003</u>

**STATEMENT OF DUE TO ANIMAL CONTROL FUND
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, June 30, 2009	\$ 19
Decreased by:	
Cash Disbursements	<u>\$ 19</u>

GENERAL CAPITAL FUND

BOROUGH OF RIDGEFIELD
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, June 30, 2009		\$ 287,016
Increased by Receipts:		
Budget Appropriations		
Cancelled Grants	\$ 155,500	
Overexpenditure of Ordinances Appropriations	2,600	
Expenditure Without Ordinance Appropriation	78,461	
Grant Receivables	184,016	
Interest on Investments and Deposits	61	
Received from Current Fund	<u>200,000</u>	
		<u>620,638</u>
		907,654
Decreased by Disbursements:		
Improvement Authorizations	364,124	
Contracts Payable	162,624	
Miscellaneous Reserves	18,570	
Payments to Current Fund	<u>220,064</u>	
		<u>765,382</u>
Balance, June 30, 2010		<u><u>\$ 142,272</u></u>

**BOROUGH OF RIDGEFIELD
ANALYSIS OF GENERAL CAPITAL CASH**

	Balance, June 30, <u>2010</u>
Grants Receivable	\$ (74,117)
Deferred Charges - Cancelled Grants	(466,218)
Contracts Payable	781,717
Due to Current Fund	6
Capital Improvement Fund	29,775
Reserve for Payment of Debt	5,648
Reserve for Capital Projects	6,650
Fund Balance	135,307

Improvement Authorizations:

Ordinance <u>Number</u>	<u>Improvement Description</u>	
1842	Construction of New Library	1,021
1888	Addition to Shaler Academy	70,117
1899	Stormwater Pollution Prevention Plan	19
1918	Improvements to Veterans Field	2,040
1924	Resurfacing of Prospect Avenue	435
1917/1927	Various Improvements	97,735
1928	Various Road Improvements	6,715
1930	Construction of New Library	189
1931	Wolf Creek Flood Study	1,805
1932	NJDEP Stormwater Management	14,315
1944/2059	Improvements to Ridgefield Library	175,683
1952	Various Road Improvements	(43,697)
2005	Various Capital Improvements	154,210
2062	Art Lane Improvements	27,387
2065/2069	Construction of a Salt Barn	287
2108	Synthetic Turf Athletic Willis Field	(145,037)
2116	Acquisition of Pumper Ladder	(732,696)
2117	Various Public Improvements	<u>92,976</u>
		<u>\$ 142,272</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF GRANTS RECEIVABLE**

	Ordinance Number	Balance June 30, 2009	Cash Receipts	Cancelled	Balance June 30, 2010
CDBG - Road Improvements	1928	\$ 20,098	\$ 20,098		
NJ Meadowlands Commission	1931	14,000	12,195		\$ 1,805
NJ Meadowlands Commission	1932	14,812			14,812
NJDEP Liveable Communities	1945	20,000	19,954	\$ 46	
NJ Smart Growth	1919	28,015		8,015	20,000
D.O.T. Safe Streets to Schools	1953	47,811	31,769	16,042	
NJ Department of Transportation	2062	37,500			37,500
CDBG - Sewer and Roadway Impvts.	2080	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
		<u>\$ 282,236</u>	<u>\$ 184,016</u>	<u>\$ 24,103</u>	<u>\$ 74,117</u>
				Fund Balance	\$ 7,789
				Improvement Authorizations	<u>16,314</u>
					<u>\$ 24,103</u>

EXHIBIT C-5

STATEMENT OF DUE TO CURRENT FUND

Balance, June 30, 2009	\$ 20,009
Increased by:	
Interest on Investments and Deposits	\$ 61
Cash Received from Current Fund	<u>200,000</u>
	<u>200,061</u>
	220,070
Decreased by:	
Payments to Current Fund	<u>220,064</u>
Balance, June 30, 2010	<u>\$ 6</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION

	Balance, June 30, <u>2009</u>	Decreased by: Budget <u>Appropriation</u>	Balance, June 30, <u>2010</u>
Cancelled Grants	\$ 621,718	\$ 155,500	\$ 466,218
Overexpenditure of Ordinance Appropriation	2,600	2,600	
Expenditure Without Ordinance Appropriation	<u>78,461</u>	<u>78,461</u>	<u>-</u>
	<u>\$ 702,779</u>	<u>\$ 236,561</u>	<u>\$ 466,218</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, June 30, 2009		\$ 16,617,448
Decreased by:		
Budget Appropriation to Pay Bonds	\$ 725,000	
Budget Appropriation to Pay Environmental Infrastructure Trust Loan	<u>51,780</u>	
		<u>776,780</u>
Balance, June 30, 2010		<u>\$ 15,840,668</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

		<u>Analysis of Balance, June 30, 2010</u>					
<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, June 30, 2009</u>	<u>Authorized SFY 2010</u>	<u>Balance, June 30, 2010</u>	<u>Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Improvement Authorizations Unfunded</u>
1952	Various Road Improvements	\$ 95,000	\$ 523,000	\$ 95,000		\$ 43,697	\$ 51,303
2108	Synthetic Turf Athletic Field, Willis Field		770,000	523,000		145,037	377,963
2116	Acquisition of Pumper Ladder	-	-	770,000	-	732,696	37,304
		<u>\$ 95,000</u>	<u>\$ 1,293,000</u>	<u>\$ 1,388,000</u>	<u>\$ -</u>	<u>\$ 921,430</u>	<u>\$ 466,570</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF CONTRACTS PAYABLE**

Balance, June 30, 2009		\$ 237,329
Increased by:		
Charges to Improvement Authorizations		781,717
		1,019,046
Decreased by:		
Cash Disbursed	\$ 162,624	
Cancellations Restored to Improvement Authorizations	74,705	
		237,329
Balance, June 30, 2010		\$ 781,717

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, June 30, 2009		\$ 90,775
Increased by:		
Cancellation of Improvement Authorizations		150,000
		240,775
Decreased by:		
Appropriation to Finance Improvement Authorizations		211,000
Balance, June 30, 2010		\$ 29,775

**BOROUGH OF RIDGEFIELD
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance June 30, <u>2009</u>	<u>Decreases</u>	Balance June 30, <u>2010</u>
Reserve for Insurance Recoveries	\$ 18,570	\$ 18,570	
Reserve for Payment of Debt	5,648		\$ 5,648
Reserve for Capital Projects - Art Lane	<u>6,650</u>	<u>-</u>	<u>6,650</u>
	<u>\$ 30,868</u>	<u>\$ 18,570</u>	<u>\$ 12,298</u>
Cash Disbursements		<u>\$ 18,570</u>	

**BOROUGH OF RIDGEFIELD
STATEMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, June 30, 2009	Decreased	Balance, June 30, 2010
			Date	Amount				
NJ Environmental Infrastructure Trust Loan	11/9/2000	\$ 990,000	8/1/2010	\$ 46,013				
			2/1/2011	4,985				
			8/1/2011	45,622				
			2/1/2012	4,594				
			8/1/2012	45,232				
			2/1/2013	4,203				
			8/1/2013	44,841				
			2/1/2014	3,812				
			8/1/2014	52,577				
			2/1/2015	3,343				
			8/1/2015	52,108				
			2/1/2016	2,862				
			8/1/2016	51,627				
			2/1/2017	2,381				
			8/1/2017	59,274				
			2/1/2018	1,806				
			8/1/2018	58,699				
			2/1/2019	1,231				
			8/1/2019	58,125				
			5/1/2020	657				
		8/1/2020	65,676	0% - 5.25%		\$ 661,448	\$ 51,780	\$ 609,668

Paid by Budget Appropriation \$ 51,780

**BOROUGH OF RIDGEFIELD
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2010</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2010</u>
			<u>Date</u>	<u>Amount</u>					
General Bonds of 2002	August 1, 2002	\$ 6,200,000	8/01/2010	\$ 470,000	3.50%				
			8/01/2011	495,000	4.125%				
			8/01/2012	505,000	4.125%				
			8/01/2013	520,000	4.125%				
			8/01/2014	535,000	4.125%				
			8/01/2015	550,000	4.125%				
			8/01/2016	570,000	4.125%				
			8/01/2017	590,000	4.25%	\$ 4,705,000	\$ 470,000	\$ 4,235,000	
General Obligation Bonds of 2006	October 15, 2006	6,656,000	10/15/2009	185,000	4.00%				
			10/15/2010	195,000	4.00%				
			10/15/2011	205,000	4.00%				
			10/15/2012	215,000	4.00%				
			10/15/2013	225,000	4.00%				
			10/15/2014	235,000	4.00%				
			10/15/2015	245,000	4.00%				
			10/15/2016	255,000	4.00%				
			10/15/2017	265,000	4.00%				
			10/15/2018	275,000	4.00%				
			10/15/2019	280,000	4.00%				
			10/15/2020	290,000	4.00%				
			10/15/2021	300,000	4.00%				
10/15/2022	310,000	4.00%							
10/15/2024-26	320,000	4.00%	4,620,000	180,000	4,440,000				
General Improvement Bonds 2008	October 15, 2008	6,656,000	4/15/2011-13	100,000	4.125%				
			4/15/2014	300,000	4.125%				
			4/15/2015	300,000	4.250%				
			4/15/2016-17	300,000	4.375%				
			4/15/2018	300,000	4.500%				
			4/15/2019	650,000	4.625%				
			4/15/2020-23	675,000	4.625%				
4/15/2024	700,000	4.625%							
4/15/2025	706,000	4.625%	6,631,000	75,000	6,556,000				
						\$ 15,956,000	\$ -	\$ 725,000	\$ 15,231,000
						Paid by Budget Appropriation		\$ 725,000	
								\$ 725,000	

**BOROUGH OF RIDGEFIELD
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, June 30, <u>2009</u>	Authorized SFY <u>2010</u>	Balance, June 30, <u>2010</u>
1952	Various Road Improvements	\$ 95,000		\$ 95,000
2108	Synthetic Turf Athletic Field, Willis Field		\$ 523,000	523,000
2116	Acquisition of Pumper Ladder	-	770,000	770,000
		<u>\$ 95,000</u>	<u>\$ 1,293,000</u>	<u>\$ 1,388,000</u>

THIS PAGE INTENTIONALLY LEFT BLANK

SWIM POOL UTILITY FUND

BOROUGH OF RIDGEFIELD
STATEMENT OF SWIM POOL UTILITY CASH - TREASURER

	<u>Operating</u>	<u>Capital</u>
Balance, June 30, 2009	\$ 70,303	\$ 883
Increased by Receipts:		
Membership Fees	\$ 184,180	
Miscellaneous	33,487	
Anticipated Deficit - General Budget	14,071	
Prepaid Revenue	4,000	
Interest Due to Operating Fund		\$ 1
Due from State of New Jersey		5,252
Receipts from Capital Fund	5,000	
Cash Received from Current Fund	<u>106,770</u>	<u>-</u>
	<u>347,508</u>	<u>5,253</u>
	417,811	6,136
Decreased by Disbursements:		
Budget Appropriations	231,778	
Appropriation Reserves	1,921	
Encumbrances Payable	22,196	
Payments to Operating Fund		5,000
Payments to Current Fund	<u>105,780</u>	<u>-</u>
	<u>361,675</u>	<u>5,000</u>
Balance, June 30, 2010	<u>\$ 56,136</u>	<u>\$ 1,136</u>

**BOROUGH OF RIDGEFIELD
ANALYSIS OF SWIM POOL UTILITY CAPITAL CASH**

	Balance, June 30, <u>2010</u>
Fund Balance	\$ 1,809
Reserve for Capital Outlay	21,455
Due To Swim Pool Utility Operating Fund	18,630
Improvement Authorizations	
Ord. No. 1771 Various Improvements	(42,100)
Ord. No. 1835 ADA Improvements	<u>1,342</u>
	<u>\$ 1,136</u>

EXHIBIT D-7

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SWIM POOL UTILITY CAPITAL FUND**

<u>Ord.</u> <u>No.</u>	Balance, June 30, <u>2009</u>	<u>Received</u>	Balance, June 30, <u>2010</u>
1835 DCA Grant - ADA Improvements	<u>\$ 5,252</u>	<u>\$ 5,252</u>	<u>\$ -</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF FIXED CAPITAL
SWIM POOL UTILITY CAPITAL FUND**

<u>Description</u>	<u>Balance, June 30, 2009</u>	<u>Additions by Budget Capital Outlay</u>	<u>Balance, June 30, 2010</u>
Municipal Pool Facility	\$ 1,512,339		\$ 1,512,339
ADA Site Improvements	48,658		48,658
Pumps and Filters	37,808	\$ 11,783	49,591
Fire Alarms	9,885		9,885
Equipment	<u>199,763</u>	<u>-</u>	<u>199,763</u>
	<u>\$ 1,808,453</u>	<u>\$ 11,783</u>	<u>\$ 1,820,236</u>

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SWIM POOL UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, June 30, 2009</u>	<u>Balance, June 30, 2010</u>
1835	ADA Improvements	\$ 50,000	<u>\$ 1,342</u>	<u>\$ 48,658</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF SFY 2009 APPROPRIATION RESERVES**

	Balance, June 30, 2009	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating				
Salaries & Wages	\$ 6,468	\$ 6,468		\$ 6,468
Other Expenses	14,775	14,775	\$ 1,921	12,854
Statutory Expenditures				
Social Security System	<u>59</u>	<u>59</u>	<u>-</u>	<u>59</u>
	<u>\$ 21,302</u>	<u>\$ 21,302</u>	<u>\$ 1,921</u>	<u>\$ 19,381</u>
			Cash Disbursements \$ 1,921	
			Fund Balance	\$ 14,161
			Due to Current Fund	<u>5,220</u>
			<u>\$ 1,921</u>	<u>\$ 19,381</u>

EXHIBIT D-11

**STATEMENT OF DUE TO SWIM POOL UTILITY OPERATING FUND
SWIM POOL UTILITY CAPITAL FUND**

Balance, June 30, 2009	\$ 23,629
Increased by:	
Interest on Investments and Deposits	<u>1</u>
	23,630
Decrease by:	
Receipts from Swim Pool Capital Fund	<u>5,000</u>
Balance, June 30, 2010	<u>\$ 18,630</u>

EXHIBIT D-12

**STATEMENT OF DUE TO CURRENT FUND
SWIM POOL UTILITY OPERATING FUND**

Balance, June 30, 2009	\$ 18,781
Increased by:	
Cash Receipts from Current Fund	\$ 106,770
SFY 2009 Appropriation Reserves Lapsed - Return Deficit	<u>5,220</u>
	<u>111,990</u>
	130,771
Decreased by:	
Payments to Current Fund	<u>105,780</u>
Balance, June 30, 2010	<u>\$ 24,991</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF ENCUMBRANCES PAYABLE
SWIM POOL UTILITY OPERATING FUND**

Balance, June 30, 2009	\$ 22,196
Increased by:	
Charges to Budget Appropriations	<u>21,579</u>
	43,775
Decreased by:	
Cash Disbursements	<u>22,196</u>
Balance, June 30, 2010	<u>\$ 21,579</u>

**STATEMENT OF PREPAID REVENUE
SWIM POOL UTILITY OPERATING FUND**

Balance, June 30, 2009	\$ 7,300
Increased by:	
Cash Receipts - SFY 2011 Concession Fee	<u>4,000</u>
	11,300
Decreased by:	
Realized as Current Year Revenue	<u>7,300</u>
Balance, June 30, 2010	<u>\$ 4,000</u>

**STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SWIM POOL UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Ordinance Amount <u>Appropriated</u>	Balance, <u>June 30, 2009</u> Funded	Balance, <u>June 30, 2010</u> Funded
1550	Improvements and Purchase of Equipment	\$ 10,000		
1835	ADA Improvements	50,000	\$ <u>1,342</u>	\$ <u>1,342</u>
			\$ <u>1,342</u>	\$ <u>1,342</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF RESERVE FOR AMORTIZATION
SWIM POOL UTILITY CAPITAL FUND**

Balance, June 30, 2009	\$ 1,766,353
Increased by:	
Capital Outlay by Budget	<u>11,783</u>
Balance, June 30, 2010	<u>\$ 1,778,136</u>

EXHIBIT D-17

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
SWIM POOL UTILITY CAPITAL FUND**

Ordinance Number	Improvement <u>Description</u>	Balance, <u>June 30, 2009</u>	Transfer to Reserve for <u>Amortization</u>	Balance, <u>June 30, 2010</u>
1835	ADA Improvements	<u>\$ 1,342</u>	<u>\$ -</u>	<u>\$ 1,342</u>

EXHIBIT D-18

**STATEMENT OF RESERVE FOR CAPITAL OUTLAY
SWIM POOL UTILITY CAPITAL FUND**

Balance, June 30, 2009	<u>\$ 21,455</u>
Balance, June 30, 2010	<u>\$ 21,455</u>

EXHIBIT D-19

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SWIM POOL UTILITY CAPITAL FUND**

Ord. <u>No.</u>	<u>Purpose</u>	Balance, June 30, <u>2009</u>	Balance, June 30, <u>2010</u>
1771	Various Improvements	<u>\$ 42,100</u>	<u>\$ 42,100</u>

PUBLIC ASSISTANCE FUND

**BOROUGH OF RIDGEFIELD
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Petty Cash Account</u>	<u>Relocation Account</u>
Balance, June 30, 2009	\$ 46,297	\$ 11,767	\$ 28,596	\$ 2	\$ 5,932
Increased by:					
State Aid	100,000		100,000		
Supplemental Security Income	4,968		4,968		
Interest	626	105	488	\$ 14	19
Budget Appropriation	11,000	6,000			5,000
Refunds/Donations	3,428	1,288	2,140		
Intrafund Transfer	10,683	183	-	10,500	-
	<u>130,705</u>	<u>7,576</u>	<u>107,596</u>	<u>10,514</u>	<u>5,019</u>
Total Receipts	<u>130,705</u>	<u>7,576</u>	<u>107,596</u>	<u>10,514</u>	<u>5,019</u>
	<u>177,002</u>	<u>19,343</u>	<u>136,192</u>	<u>10,516</u>	<u>10,951</u>
Decreased by:					
Assistance - Eligible	117,091		117,091		
Assistance - Ineligible	15,494			10,332	5,162
SSI Refunds	808		808		
Intrafund Transfer	10,683	10,500		183	
Payments to Current Fund	936	135	720	1	80
	<u>145,012</u>	<u>10,635</u>	<u>118,619</u>	<u>10,516</u>	<u>5,242</u>
Total Disbursements	<u>145,012</u>	<u>10,635</u>	<u>118,619</u>	<u>10,516</u>	<u>5,242</u>
Balance, June 30, 2010	\$ 31,990	\$ 8,708	\$ 17,573	\$ -	\$ 5,709

EXHIBIT E-2

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>P.A.T.F. Account #2</u>	<u>Relocation Account</u>
Balance, June 30, 2009	\$ 46,083	\$ 11,734	\$ 28,478	\$ 5,871
Increased by:				
Revenues	<u>119,396</u>	<u>7,288</u>	<u>107,108</u>	<u>5,000</u>
	165,479	19,022	135,586	10,871
Decreased by:				
Expenditures	<u>132,585</u>	<u>10,332</u>	<u>117,091</u>	<u>5,162</u>
Balance, June 30, 2010	\$ 32,894	\$ 8,690	\$ 18,495	\$ 5,709

**BOROUGH OF RIDGEFIELD
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Petty Cash Account</u>	<u>Relocation Account</u>
State Aid	\$ 100,000		\$ 100,000		
Budget Appropriation	11,000	\$ 6,000			5,000
Refunds/Donations					
Non State Matched	1,288	1,288			
State Matched Assistance	2,140		2,140		
Supplemental Security Income					
Municipal Refund	4,160	-	4,160	-	-
Client Refund	808	-	808	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	119,396	7,288	107,108	-	5,000
Intrafund Transfers	10,683	183		10,500	\$ -
Interest	626	105	488	14	19
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 130,705	\$ 7,576	\$ 107,596	\$ 10,514	\$ 5,019

EXHIBIT E-4

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Petty Cash Account</u>	<u>Relocation Account</u>
Current Year Assistance Reported:					
Maintenance	\$ 52,962		\$ 52,962		
Temporary Rental Assistance	56,673		56,673		
Transportation	725		725		
Work Related Expenses	370		370		
Emergency Assistance					
Rent	2,783		2,783		
Shelter/Motel	1,595		1,595		
Utilities	618		618		
Security Deposits	15		15		
Citizen Application Fee	1,350	-	1,350	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assistance Reported	117,091	-	117,091	-	-
Supplemental Security Income-Client Refund	808		808		
Assistance- Ineligible for State Aid	15,494	-	-	\$ 10,332	\$ 5,162
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	133,393	-	117,899	10,332	5,162
Intrafund Transfers	10,683	\$ 10,500	-	183	-
Payments to Current Fund	936	135	720	1	80
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	\$ 145,012	\$ 10,635	\$ 118,619	\$ 10,516	\$ 5,242

**BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO/FROM CURRENT FUND**

Balance, June 30, 2009 (Due To)	\$ 214
Increased by:	
Interest Earned on Investments and Deposits	<u>626</u>
	840
Decreased by:	
Payments to Current Fund	<u>936</u>
Balance, June 30, 2010 (Due From)	<u><u>\$ 96</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

**BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY**

PART II

**GOVERNMENT AUDITING STANDARDS SECTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
of the Borough Council
Borough of Ridgefield
Ridgefield, New Jersey

We have audited the financial statements – regulatory basis of the Borough of Ridgefield as of and for the year ended June 30, 2010, and have issued our report thereon dated January 31, 2011 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Ridgefield's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and responses we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2010-1 to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Ridgefield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as items 2010-1 and 2010-2.

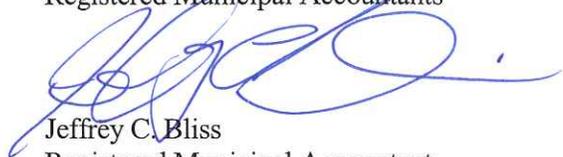
We also noted certain matters that we reported to management of the Borough of Ridgefield in Part III of this report of audit entitled "Letter of Comments and Recommendations".

The Borough of Ridgefield's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Borough's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
January 31, 2011

**BOROUGH OF RIDGEFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Grantor Agency Program	State Account Number	Federal CFDA Number	Grant Year	Grant Amount	SFY 2010 Grant Receipts	Balance, June 30, 2009	Revenue Realized	Expenditures	Adjustments	Balance, June 30, 2010	Cumulative Expended
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development) Community Development Block Grants		14.219	2010	\$ 100,000			\$ 100,000	\$ 5,695	\$	\$ 94,305	\$ 5,695
ADA Borough Hall			2009	100,000	\$ 20,098						100,000
Road Improvements (Ord. 1928)				100,000	100,000	\$ 6,772			\$ (6,772)		100,000
Sewer and Road Improvements (Ord. 2080)											
U.S. Department of Environmental Protection Municipal Stormwater Regulation		66.605	2007	10,207		4,446		3,000		1,446	8,761
U.S. Department of Homeland Security Emergency Management Performance Grant (Pass Through N.J. Department of Law and Public Safety)		97.042	2010	5,000	5,000		5,000	5,000		5,000	5,000
Emergency Management Assistance	066-00-1200-100-726		2009	5,000	5,000						
			2007	5,000	5,000						
			2006	5,000	5,000						
			2005	3,250	3,250						
			2004	3,250	3,250						
			2003	3,250	3,250						
			2002	3,250	455					455	2,795
U.S. Department of Transportation Occupancy Protection Grant (Pass Through N.J. Department of Law and Public Safety)		20.602	2010	5,391	5,391		4,253	4,253		4,253	4,253
Body Armor Replacement Fund	1020-718-066-YCIS/030600		2009	2,625	2,625		2,625	2,625		2,625	2,625
			2007	2,732	505			505			2,732
			2006	2,447	331			331			2,447
			2005	2,618	1,864			1,864			2,618
Highway Planning and Construction (Pass Through N.J. Department of Transportation)		20.205				13,207			(13,207)		111,793
Safe Streets to Schools (Ord. 1953)	480-078-6320			125,000	31,769						
Total							\$ 111,878	\$ 23,273	\$ (19,979)	\$ 115,956	

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**BOROUGH OF RIDGEFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

State Grant Program	Grant Number	Grant Year	Grant Award	SFY 2010 Grant Receipts	Balance, June 30, 2009	Revenue Realized	Expended	Adjustments*	Balance, June 30, 2010	Cumulative Expended
Department of Environmental Protection Clean Communities Grant	4900-765-178900	2010	\$ 14,970	\$ 14,970		\$ 14,376	\$ 12,394		\$ 1,982	\$ 12,394
		2009	14,376						4	11,197
		2008	11,201	\$ 4						
		2007	10,924	34					34	10,890
Recycling Tonnage Grant	4900-752-178840-60	2010	17,964	17,964		10,733			10,733	
		2009	10,733							3,374
		2008	3,374	3,374						1,856
		2007	4,181	4,181				2,325		2,325
State Forestry Services - CSIP Grant	4870-100-074	2006	5,453	5,182			5,182			5,453
		2009	25,000	3,750		25,000		25,000		25,000
National Trail Grant		2010	20,000			20,000	16,854		3,146	16,854
Division of Motor Vehicles Drunk Driving Enforcement Fund	1110-448-031020-22	2010	2,725	2,725						
		2009	3,476				3,475	3,475		3,475
		2007	3,204	3,204				3,204		3,204
Department of Community Affairs Alcohol Education and Rehabilitation	4250-700-050000-63	2010	4,353		1,256				1,256	3,097
		2009	1,757		1,399				1,399	358
		2008	2,270		1,770					1,770
		2007	1,663	1,663						1,663
			62	62					62	

THIS PAGE INTENTIONALLY LEFT BLANK

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

**BOROUGH OF RIDGEFIELD
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED JUNE 30, 2010**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Ridgefield. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the regulatory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 111,878	\$ 84,601	\$ 196,479
Public Assistance Fund	<u>-</u>	<u>100,000</u>	<u>100,000</u>
	<u>\$ 111,878</u>	<u>\$ 184,601</u>	<u>\$ 296,479</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF RIDGEFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2010**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at June 30, 2010, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

Loan Program

New Jersey Environmental
Infrastructure Trust
Trust Loan
Fund Loan

\$	335,000
	<u>274,668</u>
\$	<u>609,668</u>

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
2) Were reportable condition(s) identified that were not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> X </u> yes	<u> </u> no

State Awards Section

NOT APPLICABLE

Federal Awards Section

NOT APPLICABLE

BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2010-1 – Our audit revealed in certain instances, goods and/or services were ordered prior to the issuance of an approved purchase order.

Criteria – Division of Local Government Services Technical Accounting Directive 85-1 “Encumbrance Accounting”.

Condition – Goods are ordered and services rendered prior to a purchase order being approved and issued to the respective vendor.

Context – Numerous instances were noted for payments made on purchase orders that were dated subsequent to the vendor invoice date (i.e., confirming orders).

Cause – Approved purchase orders are not issued prior to the ordering of goods or services.

Effect – Appropriations may not be available for goods ordered or services rendered without an approved purchase order.

Recommendation – Internal controls be reviewed and revised to ensure approved purchase orders are issued prior to the ordering of goods or services and commitment of Borough funds.

Response – The Borough has reviewed this finding and has indicated continued efforts will be made to ensure corrective action is taken.

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2010-2 – Our audit revealed certain vendors were paid in excess of the bid threshold for which no public advertising for bids were sought or evidence of bidding exemption existed. In certain instances the cumulative purchases of certain items exceeded the bid threshold and were not publicly advertised for bid.

Criteria – N.J.S.A. 40A:11-4.

Condition – Purchases for gasoline and diesel fuel were not publicly advertised for bids.

Context – Purchases for gasoline and diesel fuel of approximately \$145,000 for SFY 2010 exceeded the bidding threshold of \$21,000 and were not publicly advertised for bid.

Cause – Unknown.

Effect – It appeared the Borough did not adhere to the Local Public Contracts Law in regards to bidding.

Recommendation – Bids be publicly advertised for purchases that exceed the bidding threshold.

Response – Management has reviewed this finding and has indicated corrective action will be implemented.

**BOROUGH OF RIDGEFIELD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

FINDING 2009-1

Condition – Goods are ordered and services rendered prior to a purchase order being approved and issued to the respective vendor.

Current Status – See Finding 2010-1.

FINDING 2009-2

Condition – Official minutes of the Mayor/Council meeting were not prepared, approved and bound in a timely manner.

Current Status – Corrective action was taken.

FINDING 2009-3

Condition – Purchases for auto parts, gasoline and diesel fuel were not publicly advertised for bids.

Current Status – See Finding 2010-2.

**BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY**

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**BOROUGH OF RIDGEFIELD
COMPARATIVE SCHEDULES OF OPERATIONS AND CHANGES IN FUND BALANCE –
CURRENT FUND**

	<u>Fiscal Year 2010</u>			<u>Fiscal Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 850,000	2.13 %		\$ 700,000	1.77 %
Miscellaneous - From Other Than Local					
Property Tax Levies	9,633,181	24.11		10,008,302	25.31
Collection of Delinquent Taxes and Tax Title Liens	654,023	1.64		504,816	1.28
Collection of Current Tax Levy	28,317,872	70.88		27,690,142	70.03
Other Credits	<u>495,763</u>	<u>1.24</u>		<u>637,976</u>	<u>1.61</u>
 Total Income	 <u>39,950,839</u>	 <u>100.00</u> %		 <u>39,541,236</u>	 <u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	18,979,515	48.56 %		18,803,347	48.83 %
County Taxes	4,228,903	10.82		4,048,694	10.51
Local District School Taxes	15,807,804	40.45		15,584,000	40.47
Other Expenditures - Debits	<u>67,087</u>	<u>0.17</u>		<u>69,765</u>	<u>0.18</u>
 Total Expenditures	 <u>39,083,309</u>	 <u>100.00</u> %		 <u>38,505,806</u>	 <u>100.00</u> %
Excess in Revenue	867,530			1,035,430	
Fund Balance, Beginning of Year	<u>1,373,802</u>			<u>1,038,372</u>	
	2,241,332			2,073,802	
Less Utilization as Anticipated Revenue	<u>850,000</u>			<u>700,000</u>	
Fund Balance, End of Year	<u>\$ 1,391,332</u>			<u>\$ 1,373,802</u>	

**BOROUGH OF RIDGEFIELD
 COMPARATIVE SCHEDULES OF OPERATIONS AND CHANGES IN FUND BALANCE –
 SWIM POOL UTILITY OPERATING FUND**

	<u>Fiscal Year 2010</u>		<u>Fiscal Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Surplus Anticipated	\$ 10,000	4.01 %	\$ 20,000	7.78 %
Membership Fees	184,180	73.93	169,035	65.78
Miscellaneous Fees	40,788	16.37	34,758	13.53
Other Credits to Income	<u>14,161</u>	<u>5.68</u>	<u>33,187</u>	<u>12.91</u>
 Total Income	 <u>249,129</u>	 <u>100.00 %</u>	 <u>256,980</u>	 <u>100.00 %</u>
 EXPENDITURES				
Budget Expenditures				
Operating	239,217	90.89 %	245,300	93.55 %
Capital Improvements	11,783	4.48	5,000	1.91
Deferred Charges and Statutory Expenditures	<u>12,200</u>	<u>4.64</u>	<u>11,900</u>	<u>4.54</u>
 Total Expenditures	 <u>263,200</u>	 <u>100.00 %</u>	 <u>262,200</u>	 <u>100.00 %</u>
 Excess (Deficit) in Revenues	 (14,071)		 (5,220)	
 Adjustments to Income Before Fund Balance				
Realized from General Budget for				
Anticipated Deficit	<u>14,071</u>		<u>5,220</u>	
 Statutory Excess in Revenue	 -		 -	
 Fund Balance, Beginning of Year	 <u>24,353</u>		 <u>44,353</u>	
	24,353		44,353	
Decreased by:				
Utilized as Anticipated Revenue	<u>10,000</u>		<u>20,000</u>	
 Fund Balance, End of Year	 <u>\$ 14,353</u>		 <u>\$ 24,353</u>	

**BOROUGH OF RIDGEFIELD
GENERAL INFORMATION**

COMPARATIVE SCHEDULE OF CALENDAR YEAR TAX RATE INFORMATION

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Calendar Year Tax Rate	\$ <u>1.615</u>	\$ <u>1.563</u>	\$ <u>1.491</u>
Apportionment of Tax Rate			
Municipal	\$ 0.501	\$ 0.486	\$ 0.458
County	0.222	0.213	0.196
County Open Space	0.003	0.012	0.012
Local School	0.889	0.852	0.825
Assessed Valuation			
2010	\$ <u>1,839,532,405</u>		
2009	\$ <u>1,841,585,527</u>		
2008	\$ <u>1,852,804,740</u>		

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year Ended June 30</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2010	\$ 29,083,544	\$ 28,442,872	97.79%
2009	28,580,505	27,690,142	96.88%
2008	27,279,267	26,762,296	98.10%

**BOROUGH OF RIDGEFIELD
GENERAL INFORMATION**

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

Year Ended <u>June 30</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
2010	\$ 17,934	\$ 569,888	\$ 587,822	2.02%
2009	17,061	651,287	668,348	2.34%
2008	63,849	453,165	517,014	1.89%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens at year-end, on the basis of the last assessed valuation of such properties, was as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2010	\$81,180
2009	81,180
2008	81,180

COMPARATIVE SCHEDULE OF FUND BALANCES

	Year Ended <u>June 30</u>	Fund <u>Balance</u>	Utilized In Budget of Succeeding <u>Year</u>
Current Fund	2010	\$1,391,332	\$875,000
	2009	1,373,802	850,000
	2008	1,038,372	700,000
Swim Pool	2010	\$14,353	-
Utility Operating Fund	2009	24,353	\$10,000
	2008	44,353	20,000

**BOROUGH OF RIDGEFIELD
GENERAL INFORMATION**

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Anthony Suarez	Mayor		
Angus Todd	Councilman		
Warren Vincentz	Councilman		
Nicholas Lonzisero	Councilman		
Angelo Severino	Councilman		
Javier Acosta	Councilman from 1/1/09		
Russell Castelli	Councilman from 1/1/09		
Gary Bonacci	Administrator	\$100,000	RLI Insurance Co.
Linda Prina	Acting Borough Clerk	150,000	Western Surety Co.
Joseph Luppino	Chief Financial Officer	300,000	RLI Insurance Co.
Erik Lenander	Assistant to CFO	150,000	RLI Insurance Co.
Alexis Melchionne	Payroll/Finance Clerk	150,000	Western Surety Co.
Frank Berardo	Tax Collector	150,000	Western Surety Co.
Joan Gallagher	Assistant to Tax Assessor/Tax Clerk	25,000	Western Surety Co.
Jennifer Kees	Tax Clerk/Tax Search Officer	50,000	Western Surety Co.
George Reggo	Assessor		
Bernie McHugh	Director of Welfare/Relocation Officer	60,000	Western Surety Co.
Robert Binetti	Magistrate	10,000	Western Surety Co.
Jasna Gega	Court Administrator	75,000	Western Surety Co.
Andrea Beth Novak	Deputy Court Administrator	50,000	Western Surety Co.
Rosemary Sutton	Court Clerk	50,000	Western Surety Co.
Douglas Doyle, Esq.	Attorney		

All officials handling cash were covered by a blanket crime coverage issued by the Public Alliance Joint Insurance Fund in the amount of \$1,000,000.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Prior Year Findings – Unresolved

Our audit of Other Trust Fund escrow deposits and reserves revealed that balances per Borough subsidiary records are not reconciled with the general ledger account balances. We also noted the general ledger account balances were not reconciled to the monthly bank reconciliation balances. In addition, state regulations for escrow deposit accounting and reporting are not being adhered to. It is recommended that the Other Trust Fund general ledger account balances be reconciled to the bank account reconciliation and subsidiary account records on a monthly basis. In addition, the Borough adhere to state regulations regarding escrow accounting and reporting.

Our audit of municipal departments revealed the following:

- Majority of records are manually maintained
- Monthly reports are not always prepared and filed with the Borough
- Certain applications, licenses and permits are not prenumbered
- Prenumbered receipts are not issued for all monies collected

It is recommended that internal controls over department financial recordkeeping be reviewed and enhanced to ensure a standardized revenue accounting and reporting system is maintained.

Our audit of the Borough Clerk noted several entries not recorded in the cash receipt ledger. We noted the prenumbered receipt tickets entered into the cash receipts ledger had receipt tickets missing. It is recommended that internal controls over revenue collection procedures in the Borough Clerk's office be reviewed and revised to ensure monies collected are recorded and deposited in a timely manner.

Our review of the Borough's salary ordinance revealed police officers' salaries are not included as part of the approved salary and compensation ordinance. It is recommended that the Borough's salary and compensation ordinance be amended to include all police officers' salary levels.

Our audit of the Borough's Affordable Housing Reserves revealed the annual financial report required to be filed with the State Council on Affordable Housing was not available for audit. It appears the annual report for the prior and current fiscal years have not been filed. It is recommended that the annual financial report to the State Council on Affordable Housing be filed for the 2009 and 2010 fiscal years and all future year reports be filed timely and made available for audit.

Our audit of the Swim Pool Utility Capital Fund revealed an improvement authorization over five years old with a deficit cash balance at year end. We noted in the SFY 2011 budget that an appropriation was budgeted to begin to eliminate the deficit cash balance in the Swim Pool Utility Capital Fund. Since corrective action is being taken no recommendation is deemed warranted.

Our audit revealed political contribution disclosure forms were not obtained for certain vendors whose contracts exceeded \$17,500. The Borough was in the process of obtaining these forms however many were not available at time of audit nor were they obtained upon the contract award. It is recommended that political contribution disclosure forms be obtained where required from all vendors whose contracts exceed \$17,500.

Our audit of the Municipal Court revealed two instances where regular account checks were issued with only one signature, whereas two are required. It is recommended that all bank account checks issued by the Municipal Court contain the two required authorized signatures.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Current Year Findings

Our audit of the Other Trust Fund Reserve accounts revealed the Board of Health dedicated revenue account for food handler's course fees was not approved by resolution or by the State as a dedication by rider account. We noted the Borough discontinued the use of the reserve account during the year and the remaining balance was cleared of record subsequent to year end. Therefore, since corrective action was taken, no recommendation is deemed warranted.

Our audit revealed the H1N1 grant was being reimbursed or refunded against the Board of Health budget appropriation line accounts. It is recommended that all grants be properly anticipated as revenue in the budget with an offsetting budget appropriation line account and not refunded against existing budget appropriation line accounts.

Our audit of salaries revealed several instances where certain approved increases to employees base salaries were in excess of the salary range in the approved salary ordinance. It is recommended that the Borough review the salary and compensation ordinance to ensure all salary ranges cover actual amounts approved for employees base salaries.

Our audit of the vendor report revealed it did not include payments made to all vendors and therefore was not in agreement with the check register total for the fiscal year. In addition, the detail vendor report and summary vendor report totals were not in agreement. It is recommended that all vendor payments be reflected in the vendor report. In addition the system software provider review the summary and detail vendor reports to ensure they are in agreement.

Our audit revealed the Borough did not have a formal written petty cash policy or a formal written policy on the use of store and gas cards by Borough employees. It is recommended that the Borough approve formal written policies for petty cash funds and the use of store and gas cards by Borough employees.

We noted during the course of our audit a report from the Office of the State Comptrollers Office regarding deficiencies in procurement procedures over professional service contract awards and management of services rendered under such contracts. We noted the Borough approved a corrective action plan to address these deficiencies; however formal written policies were not adopted. It is recommended that the Borough develop and approve formal written policies to address the procurement and management procedure deficiencies of its professional services contracts noted in the report of the Office of the State Comptroller to ensure continued compliance in future years.

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$21,000, except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where a question arises as to whether any contract agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- | | |
|--|---|
| Various Sewer and Roadway Improvements | Roadway and Drainage Improvements at Art Lane |
| Roof Replacement at Ambulance Corp. | 4 Wheel Drive Dump Truck with Plow |
| Salt Storage Shed Construction | Tree Pruning, Tree and Stump Removal |

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (Continued)

Our examination of expenditures revealed instances where individual payments exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 7, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments and,

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00.

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector – Treasurer and the Tax Assessor of the Borough of Ridgefield.

Collection of Interest on Delinquent Taxes and Assessments

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS (Continued)**

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 9, 2010 and was complete.

The following comparison is made of the number of tax title liens receivable at year-end of the last three years.

<u>Year Ended</u> <u>June 30</u>	<u>Number of Liens</u>
2009	1
2008	2
2007	2

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

BOROUGH OF RIDGEFIELD RECOMMENDATIONS

It is recommended that:

- * 1. Internal control procedures be reviewed and revised to ensure approved purchase orders are issued prior to the ordering of goods or services and commitment of Borough funds.
- * 2. Bids be publicly advertised for purchases that exceed the bidding threshold.
- * 3. The Other Trust Fund general ledger account balances be reconciled to the bank reconciliation and subsidiary account records on a monthly basis. In addition, the Borough adhere to state regulations regarding escrow accounting and reporting.
- * 4. Internal controls over department financial accounting and reporting be reviewed and enhanced to ensure a standardized revenue accounting and reporting system is maintained.
- * 5. Internal controls over revenue collection procedures in the Borough Clerk's office be reviewed and revised to ensure monies collected are recorded and deposited in a timely manner.
- * 6. With respect to the Borough's salary and compensation ordinance:
 - The Borough's salary and compensation ordinance be amended to include all police officers salary levels.
 - The Borough review the salary and compensation ordinance to ensure all salary ranges cover actual amounts approved for employees' base salaries.
- * 7. The annual finance report to the State Council on Affordable Housing be filed for the 2009 and 2010 fiscal years and all future year reports be filed timely and made available for audit.
- * 8. Political contribution disclosure forms be obtained where required from all vendors whose contracts exceed \$17,500.
- * 9. All bank account checks issued by the Municipal Court contain the two required authorized signatures.
- 10. All grants be properly anticipated as revenue in the budget with an offsetting budget appropriation line account and not refunded against existing budget appropriation line accounts.
- 11. All vendor payments be reflected in the vendor report. In addition, the system software provider review the summary and detail vendor reports to ensure they are in agreement.
- 12. The Borough approve formal written policies for petty cash funds and the use of store and gas cards by Borough employees.
- 13. The Borough develop and approve formal written policies to address the procurement and management procedure deficiencies of its professional services contracts noted in the report of the Office of the State Comptroller to ensure continued compliance in future years.

**BOROUGH OF RIDGEFIELD
RECOMMENDATIONS**

Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations and corrective action was taken on all; however, further action needs to be taken on the above recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

LERCH, VINCI & HIGGINS, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429